

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

AMADA AMERICA, INC., a California)
corporation,)
)
Plaintiff,)
)
v.)
)
PRECISION AMERICAN METALS, LLC,)
An Illinois Limited Liability Corporation, and)
JOHN M. MAZUREK and PAMELA F.)
MAZUREK, individually,)
)
Defendants.)

No. FILED: March 24, 2008
08cv1706 JH
JUDGE NORGLE
MAGISTRATE JUDGE SCHENKIER

COMPLAINT

Plaintiff, Amada America, Inc. (“Amada”), by its attorneys, Connelly Roberts & McGivney LLC, for its Complaint against Defendants, Precision American Metals, LLC., an Illinois Corporation (“Precision”), John M. Mazurek, an individual, and Pamela F. Mazurek, an individual (collectively “the Parties”), states as follows:

Jurisdiction

1. Amada is a corporation with its headquarters and principle place of business in the State of California. Precision is a limited liability corporation with its headquarters and principle place of business in the State of Illinois. Upon information and belief, John and Pamela Mazurek are residents of the State of Illinois.

2. The amount in controversy, exclusive of interest and costs, is in excess of the sum specified by 28 U.S.C. §1332.

3. Defendants have waived any objection to this Court’s jurisdiction over this matter. Further, Defendants consented to the jurisdiction of this Court for the purpose of

enforcing a Settlement and Release Agreement between the Parties and for the entry of a Confession of Judgment Order as outlined in the following facts.

Parties

4. Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd., Buena Park, California.

5. Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Drive, Batavia, Kane County, Illinois.

6. John M. Mazurek and Pamela F. Mazurek are residents of the village of St. Charles, Kane County, Illinois.

Facts

7. In July of 2006, John M. Mazurek, as President of Precision, executed seven separate Equipment Purchase and Security Agreements (“the Agreements”), for the purpose of procuring a number of specialized machines from Amada.

8. The Agreements were individually and personally guaranteed by John M. Mazurek and Pamela F. Mazurek.

9. Defendants subsequently breached the terms of the Agreements by failing to tender payment for the purchased items.

10. On July 24, 2007, Amada filed a Complaint alleging breach of contract against Precision and the Mazureks, individually, for their failure to tender payment under the terms of the Agreements. (A copy of Amada’s Complaint is attached as Exhibit “A”).

11. On December 5, 2007, Defendants and Amada entered into a Settlement and Release Agreement. This Settlement and Release Agreement was signed by Precision and the Mazureks individually. (A copy of the Settlement and Release Agreement is attached hereto as Exhibit "B").

12. In the Settlement and Release Agreement, Amada agreed to accept the payment of \$1,469,952.96 to satisfy the debt owed by Defendants. Defendants agreed that they were jointly and severally liable for the full satisfaction of the Settlement and Release Agreement. (¶ 9, Ex. B).

13. Paragraph 10 of the Settlement and Release Agreement established the following payment structure:

"The Settlement Payment shall be payable as follows:

- a. On November 28, 2007 Defendants tendered to Amada payment in the amount of \$39,820.34 (the "First Installment"). Amada acknowledges receipt of the First Installment;
- b. The remaining amount due under this Settlement Agreement, or \$1,430,132.62 shall be paid in monthly installments of \$23,835.54 (the "Monthly Installments"), due on the 15th of each month and beginning on December 15, 2007. The Monthly Installments shall continue until the Settlement Payment is satisfied in full."
(¶ 10, Ex. B)

14. Defendants issued a check for the December 2007 installment on December 17, 2007, in the amount of \$23,836.54, which was accepted and cashed by Amada.

15. The Amada Complaint was dismissed with prejudice on January 8, 2008 in accordance with the terms of the Settlement and Release Agreement.

16. Defendants issued a check for the January 2008 installment on January 28, 2008. Upon deposit of the check, Amada was informed that there was insufficient

funding for the January installment check. (A copy of the insufficient January 28, 2008 check is attached as Exhibit "C").

17. Defendants did not tender payment for the February 2008 monthly installment.

18. Paragraph 12 of the Settlement and Release Agreement states:

"[I]f, for any reason, Defendants fail to make any payment enumerated in this Settlement Agreement within 7 (Seven) days of when such payment(s) become due (the "Event of Default"), Amada may initiate a proceeding against Defendants under this Settlement Agreement, under its common law or statutory rights, or both."

(¶ 12, Ex. B).

19. In paragraph 12 of the Settlement and Release Agreement, Defendants consented to the entry of a Confession of Judgment Order similar to the Order attached to the Settlement and Release Agreement as Exhibit B. (¶ 12, Ex. B).

20. Simultaneously with this Complaint, Amada has filed a Motion to Enter the Confession of Judgment Order. (A copy of said Motion is attached hereto as Exhibit "D").

21. Paragraph 13 of the Settlement Agreement states:

"For purposes of the Confession of Judgment Order, Defendants appoint the law firm of Connelly Roberts & McGivney LLC, or its designee, as attorneys in fact for Defendants to enter the Confession of Judgment Order and for the preparation of any motion required for the entry of such Order. For purposes of this Agreement, Defendants waive any conflict which may arise with Connelly Roberts & McGivney LLC with respect to the entry of the Confession of Judgment Order, in addition to waiving any appeal rights which may arise resulting from the entry of the Confession of Judgment Order. Defendants also waive and forego any affirmative defenses, bars to enforcement, claims of estoppel, or any other matter which could act as a defense to the proceeding relating to the entry of the Confession of Judgment Order and/or any matters relating to the enforcement of any such Confession of Judgment Order, or supplemental proceedings thereon."

(¶ 13, Ex. B).

22. Defendants are liable to Amada for the full Settlement Payment as well as attorney's fees and costs pursuant to paragraph 14 of the Settlement Agreement, which states:

"Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connelly Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada."
(¶ 14, Ex. B).

23. Attached is the Affidavit of Cory D. Anderson (the "Affidavit"), an attorney with Connelly Roberts & McGivney LLC, which states the amounts paid to Amada by Defendants, Defendants' outstanding Settlement balance and the attorney's fees and costs incurred by Amada to enforce the Settlement Agreement. (see Exhibit E).

24. Amada has performed all of its obligations under the Settlement and Release Agreement by dismissing its suit against Defendants.

25. Defendants breached their obligations pursuant to the Settlement and Release Agreement, and are in default of the same, by:

- a) Issuing an insufficient check for the January 2008 installment payment, and,
- b) Failing to tender payment for the February 2008 installment.

26. Defendants owe Amada \$1,406,296.08 under the terms of the Settlement and Release Agreement. (see Exhibits B through E). Moreover, Amada, per the terms of the Settlement and Release Agreement, is entitled to be reimbursed by Defendants for their fees and costs associated with the enforcement of the Settlement and Release Agreement, totaling \$7,150.00. (see Exhibits B through E).

WHEREFORE, Plaintiff, Amada America, Inc., respectfully requests that this Court:

- 1) Enter judgment for Amada America, Inc. and against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally, in the amount of \$1,413,446.08;
- 2) Or, in the alternative, for any other relief that this Court deems just.

Respectfully Submitted,

Amada America, Inc.,

By: /s/Cory D. Anderson
One of its Attorneys

Matthew P. Connelly
Cory D. Anderson
Connelly Roberts & McGivney LLC
55 W. Monroe St., Suite 1700
Chicago, Illinois 60603
(312)251-9600

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUL 24 2007

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT
JH

AMADA AMERICA, INC., a California
corporation,

Plaintiff,

v.

PRECISION AMERICAN METALS, LLC.,
An Illinois Limited Liability Corporation, and
JOHN M. MAZUREK and PAMELA F.
MAZUREK, individually,

Defendants.

08cv1706

JUDGE NORGLÉ

MAGISTRATE JUDGE SCHENKIER

No. 07 C 4177

JUDGE MORAN

MAGISTRATE JUDGE KEYS

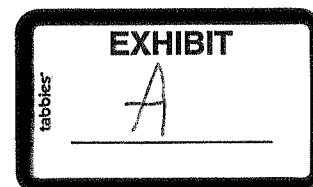
COMPLAINT

Plaintiff, Amada America, Inc. ("Amada"), by its Attorneys, Connelly Roberts & McGivney, for its Complaint against Defendants, Precision American Metals, LLC., an Illinois Corporation ("Precision"), John M. Mazurek, an individual, and Pamela F. Mazurek, an individual, states as follows:

Jurisdiction

1. Plaintiff is a corporation with its headquarters and principle place of business in the State of California. Defendant Precision is a limited liability corporation with its headquarters and principle place of business in the State of Illinois. Upon information and belief, the Defendants John and Pamela Mazurek are residents of the State of Illinois.

2. Upon information and belief, the amount in controversy, exclusive of interest and costs, is in excess of the sum specified by 28 U.S.C. §1332.



Facts

3. Plaintiff Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd. in the city of Buena Park, California.

4. Defendant Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Dr., in the village of Batavia, Kane County, Illinois.

5. Upon information and belief, Defendants John M. Mazurek and Pamela F. Mazurek are residents of the village of St. Charles, Kane County, Illinois.

6. Sometime on or about July 20-27, 2006, Precision executed seven separate Equipment Purchase and Security Agreements ("the Agreements"), for the purpose of procuring a number of specialized machines from Amada. The Agreements were numbered and executed as follows:

- a. Agreement Number 14744, to purchase a Togu III Tool Grinder from Amada for the purchase price of \$21,600.00. (A copy of the Agreement is attached hereto as Exhibit A).
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. (A copy of the Agreement is attached hereto as Exhibit B).
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. (A copy of the Agreement is attached hereto as Exhibit C).
- d. Agreement Number 14550, to purchase a Fabrivation Inspection Machine from Amada for the purchase price of \$64,700.00. (A copy of the Agreement is attached hereto as Exhibit D).
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. (A copy of the Agreement is attached hereto as Exhibit E).

- f. Agreement Number 14738, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. (A copy of the Agreement is attached hereto as Exhibit F).
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. (A copy of the Agreement is attached hereto as Exhibit G).

7. Upon information and belief, these documents were executed by Precision in the village of Batavia, Illinois.

8. Precision paid down payments of twenty per cent of the purchase price under each Agreement, and agreed to pay the remaining amount of each Agreement in 60 equal monthly installments. (See Exhibits A-G).

9. The Agreements each provide that "any payment...not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages." (See Exhibits A-G, Section A, ¶4).

10. As a condition of the Agreements, Precision granted Amada security interest in the property purchased under each agreement, and executed UCC Financing Statements with the California Secretary of State, Uniform Commercial Code Division, certifying such. (See Exhibits A-G, Section B, ¶1; UCC Financing Statements, 11190731, 11190774, 11190790, 11190766, 11190758, 11190723, and 11190782, attached hereto as Group Exhibit H).

Count I
Breach of Contract Against Precision

1-10 Plaintiff repeats and realleges paragraphs 1-8 of this Complaint as paragraphs 1-10 of this Count I, as if fully set forth herein.

11. Amada has performed all of its obligations under each and every one of the Agreements by delivering the purchased machines and other equipment to Precision.

12. Precision has legally accepted all goods delivered by Amada, as defined by §2606 of the California Commercial Code, by failing to make an effective rejection after having had a reasonable opportunity to inspect them.

13. The first installment payment for Agreement number 14744, in the amount of \$365.13, was due to Amada on October 1, 2006. (*See* Exhibit "A")

14. Precision failed to remit this payment, or any other required payment on Agreement number 14744, and consequently late charges were assessed in the amount of \$18.26 per month, and interest compounded at a rate of 9.75% per month. (*See* "Payment History", attached hereto as Exhibit I).

15. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14744, Precision owes Amada approximately \$18,919.06. (*See* Exhibit I).

16. The first installment payment for Agreement number 14546, in the amount of \$540.93, was due to Amada on October 1, 2006. (*See* Exhibit "B").

17. Precision failed to remit this payment, or any other required payment on Agreement number 14546, and consequently late charges were assessed in the amount of \$27.05 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

18. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14546, Precision owes Amada approximately \$28,028.22. (*See* Exhibit I).

19. The first installment payment for Agreement number 14738, in the amount of \$1,519.33, was due to Amada on May 15, 2007. (*See* Exhibit "C").

20. Precision failed to remit this payment, or any other required payment on Agreement number 14738, and consequently late charges were assessed in the amount of \$75.97 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

21. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14738, Precision owes Amada approximately \$73,898.85. (*See* Exhibit I).

22. The first installment payment for Agreement number 14550, in the amount of \$1,132.57, was due to Amada on May 15, 2007. (*See* Exhibit "D").

23. Precision failed to remit this payment, or any other required payment on Agreement number 14550, and consequently late charges were assessed in the amount of \$56.63 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

24. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14550, Precision owes Amada approximately \$55,087.03. (*See* Exhibit I).

25. The first installment payment for Agreement number 14742, in the amount of \$2,045.38, was due to Amada on May 15, 2007. (*See* Exhibit "E").

26. Precision failed to remit this payment, or any other required payment on Agreement number 14742, and consequently late charges were assessed in the amount of \$102.27 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

27. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14742, Precision owes Amada approximately \$99,485.53. (*See* Exhibit I).

28. The first installment payment for Agreement number 14740, in the amount of \$6,437.38, was due to Amada on May 15, 2007. (*See* Exhibit "F").

29. Precision failed to remit this payment, or any other required payment on Agreement number 14740, and consequently late charges were assessed in the amount of \$321.87 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

30. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14740, Precision owes Amada approximately \$313,108.10. (*See* Exhibit I).

31. The first installment payment for Agreement number 14741, in the amount of \$11,291.87, was due to Amada on May 15, 2007. (*See* Exhibit "G")

32. Precision failed to remit this payment, or any other required payment on Agreement number 14741, and consequently late charges were assessed in the amount of \$564.59 per month, and interest compounded at a rate of 9.75% per month. (*See* Exhibit I).

33. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14741, Precision owes Amada approximately \$549,225.89. (*See* Exhibit I).

34. Precision's failure to pay any of the required installments of any of the Agreements, after accepting the goods delivered by Amada constitutes a breach of the Agreements.

35. Amada has demanded payment from Precision under the Agreements in the original total principle amount of \$1,104,240.00, plus interest and late charges. (See Letter to John Mazurek, President of Precision Metals, dated July 20, 2007, attached hereto as Exhibit J).

36. Despite Amada's demands, Precision has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

37. The total now due to Amada is approximately \$1,137,752.68. (See Exhibit I).

38. Each of the Agreements states that "in the event any...judicial action or proceeding is initiated with respect to any matters relating to this Agreement...the party in whose favor any award shall be given...shall be entitled to recover from the other party all costs and expenses (including attorney's fees) incurred in such action." (See Exhibits A-G, Section D, ¶5).

Wherefore, Plaintiff Amada America, Inc., pursuant to Section 2709 of the California Commercial Code, prays for judgment against the Defendant, Precision American Metals, LLC, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys' fees.

Count II
Breach of Personal Guaranty Against John Mazurek

1-38 Plaintiff repeats and realleges paragraphs 1-38 of Count I as paragraphs 1-36 of this Count II, as if fully set forth herein.

39. As a supplement to the Agreements, on or about July 20, 2006, Defendant John Mazurek executed a document entitled "Unconditional Continuing Guaranty" (Attached hereto as Exhibit K). That Guaranty provides, in pertinent part, that "[g]uarantors unconditionally guaranty and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due." (See Exhibit K, ¶1).

40. Amada has demanded that John Mazurek pay the amount presently due by Precision. (See Letter to John Mazurek, Guarantor, dated July 20, 2007, attached hereto as Exhibit L).

41. Despite Amada's demands, and in direct breach of the Guaranty, John Mazurek has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

42. The Unconditional Continuing Guaranty states, in part, "[g]uarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by [Amada] in the enforcement of this...Guaranty". (See Exhibit K, ¶6).

Wherefore, Plaintiff Amada America, Inc. prays for judgment against the Defendant, John M. Mazurek, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys' fees.

Count III
Breach of Personal Guaranty Against Pamela Mazurek

1-42 Plaintiff repeats and realleges paragraphs 1-42 of Counts I & II as paragraphs 1-42 of this Count III, as if fully set forth herein.

43. As a supplement to the Agreements, on or about July 20, 2006, Defendant Pamela Mazurek executed a document entitled "Unconditional Continuing Guaranty" (Attached hereto as Exhibit K). That Guaranty provides, in pertinent part, that

“[g]uarantors unconditionally guaranty and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due.” (See Exhibit K, ¶1).

44. Amada has demanded that Pamela Mazurek pay the amount presently due by Precision. (See Letter to Pamela Mazurek, Guarantor, dated July 20, 2007, attached hereto as Exhibit M).

45. Despite Amada’s demands, and in direct breach of the Guaranty, Pamela Mazurek has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

46. The Unconditional Continuing Guaranty states, in part, “[g]uarantors agree to pay reasonable attorneys’ fees and all other costs and expenses which may be incurred by [Amada] in the enforcement of this...Guaranty”. (See Exhibit K, ¶6).

Wherefore, Plaintiff Amada America, Inc. prays for judgment against the Defendant, Pamela F. Mazurek, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys’ fees.

Count IV **Accounting**

1-46 Plaintiff repeats and realleges paragraphs 1-46 of Counts I-III as paragraphs 1-46 of this Count IV as if fully set forth herein.

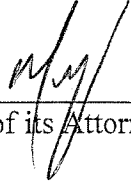
47. Each of the Agreements executed by the Defendants states that “for so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer... (h) shall promptly furnish to Seller upon request current financial statements of Buyer.” (See Exhibits A-G, Section B, ¶3).

48. Amada has demanded current financial statements from Precision, but Precision has failed and refused to honor that demand, in violation of the Agreements.

WHEREFORE, Plaintiff, Amada America, Inc., respectfully prays for the entry of an Order requiring Precision to account to Amada and provide current financial statements from October 1, 2006 to the date of its accounting, and requiring Precision to continue such accounting on a monthly basis after its initial accounting.

Respectfully Submitted,

Amada America, Inc.,

By: 
One of its Attorneys

Matthew P. Connelly
Cory D. Anderson
CONNELLY ROBERTS & McGIVNEY, L.L.C
55 W. Monroe St., Suite 1700
Chicago, Illinois 60602
312.251.9600

AMADA AMERICA, INC.

7025 Firestone Blvd., Buena Park, CA 90621

AGREEMENT NUMBER 14744

FILE NUMBER 12901-CB000

EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business purposes the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER									
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC					BUYER'S TRADE NAME OR STYLE				
<input type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER					ORGANIZED UNDER THE LAWS OF THE STATE OF: IL		AMADA CUSTOMER NO. 29897		
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX	CITY BATAVIA	COUNTY	STATE IL	ZIP CODE 60510	TELEPHONE (630) 406-7775
B. INSTALLATION SITE									
COMPANY NAME SAME AS "A"					BRANCH / DIVISION				
STREET ADDRESS					CITY	COUNTY	STATE	ZIP CODE	TELEPHONE
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT			AMADA CUSTOMER NUMBER		CONTACT JOHN MAZUREK		
C. BILLING INFORMATION									
BILLING ADDRESS 11005 PINNACLE DR.				P.O. BOX	CITY ALPHARETTA	COUNTY	STATE GA	ZIP CODE 30022	TELEPHONE (678) 642-7409
BILLING INSTRUCTIONS				AMADA CUSTOMER NUMBER 29897-1		CONTACT DICK CLARK			
D. FOR SELLER'S REFERENCE ONLY									
REGION NO. 72	DIVISION NO.	SALESMAN NO. 922	SALESMAN NAME JOHN WOODRUFF			CUSTOMER P.O. NO. PAM6300601		P.O. DATE 06/30/06	
ITEM 1. PAYMENT TERMS									
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60) <input type="checkbox"/> OTHER 9.75									
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$365.13			C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 10-1-06			D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE HERE)	
It is Seller's Agreement that for an installment sale, Buyer shall make each installment payment to AMADA CAPITAL CORPORATION, Dept. CA2096, Pasadena, California 91105-2096.									
ITEM 2. DESCRIPTION OF PROPERTY									
A. MACHINE MODEL NO. TOGUMI		B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA TOOL GRINDER			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)						QTY.	CASH PRICE		
F. DESCRIBE TRADE-IN						TOTAL TO 4B			
						H. VALUE OF TRADE-IN			
						I. LESS LIENS <input type="checkbox"/> ALC		< >	
						J. CREDIT FOR TRADE-IN (H-I)			
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I									
ITEM 3. SELLER'S WARRANTY AND FINANCIAL INFORMATION									
BUYER'S INSURANCE COMPANY FRANKMUTH MUTUAL				POLICY NO. 197874					
BUYER'S INSURANCE AGENCY WEISS INS.				NAME OF AGENT JIM PARILLI					
INSURANCE AGENCY'S ADDRESS 31 W. OLD HEMLOCK TRAIL				P.O. BOX					
CITY WAYNE		STATE IL		ZIP CODE 60184		TELEPHONE (630) 584-1717			
NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.									
ITEM 4. SUBTOTAL, TRADE-IN, CREDIT FOR TRADE-IN, AND FINANCIAL INFORMATION									
H. SUBTOTAL (D + E + F + G)						\$21,600			
I. LESS CREDIT FOR TRADE-IN FROM						<			
J. LESS CASH DOWN PAYMENT						<			
K. SUBTOTAL (H - I - J) (CASH BALANCE)						\$17,280			
L. TIME PRICE DIFFERENTIAL (M)						\$4,620			
M. TIME BALANCE (K + L)						\$21,900			

NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES IN SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase and an installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) BY [Signature] TITLE President DATE 7/2

A. Terms and Conditions of Sale

1. Price and Price Adjustments. The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. Allor such period Seller may, in its discretion, adjust the purchase price of any unsold Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. Taxes. The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authority, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for tooling and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. Shipping Instructions. Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. Title, Risk of Loss and Insurance. Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. Shipping. All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

Installation. Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority provided, however, that in the event of any such failure to meet such codes or standards, Seller shall, at its expense, make any modifications to the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed (in percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits) is more than 30 days. If Seller determines that such modifications are required upon referring to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer; and provided further that if Buyer so requests, Seller may, but shall not be obligated to, refund to Buyer the portion of the net 6 percent of Buyer, payments for which shall be made by Buyer in advance of Seller's performance.

10. Warranty and Limitation of Liability. EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. Trade-In. Buyer represents and warrants to Seller that Buyer has good and marketable title to all trade-in, referred to in Item 3.F. on this filing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Aranda Capital Corporation ("ACC"), asserts a claim on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until the claim is resolved. Buyer's license shall not be construed as a warranty and shall hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** It is inherent that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, or other causes beyond the control of Seller or its suppliers or delegates, and such inability, including but not limited to money exchange or transfer restrictions, impositions of quotas or limitations of shipments, or any other causes or causes beyond the control of Seller or its suppliers or delegates, to the extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exercise of reasonable diligence after the causes or causes of such inability have been removed, shall constitute a force majeure. If such force majeure shall continue for 60 weeks, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. Termination. Upon the occurrence of an Event of Default (as defined in Section 8.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. Indemnification. Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. Condition Precedent to Seller's Obligations. On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefits under a bailment revocable at will by Seller.

16. Financing. Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. Grant of Security Interest. To secure payment of the purchase price of the Property, Buyer hereby grants to Seller a security interest in the Property, and in all acccessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding to the above provisions of this Part B do not apply with respect to COG sales of Property in which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

[illegible]

4. Insurance. Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller or shall furnish to Seller such other evidence of insurance as Seller may from time to time

time request. The proceeds of such insurance shall be applied, at the option of S, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed by causes of Buyer hereunder. Buyer hereby irrevocably appoints Seller as its attorney-in-fact, which appointment is coupled with an interest, to make claims for, receive and execute and endorse all documents, checks, or drafts received in payment of any loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, have the right, but shall not be obligated, to obtain and maintain such insurance, and reimburse Seller for the cost thereof.

5. Covenants Regarding Location of Property. Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without the written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE AND LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default: (a) By Buyer in the payment, when due or payable of the purchase price of the Property or any thereof or interest thereon; (b) any breach of Buyer of any representation, warranty or agreement (other than as to payment) set forth in this Agreement or any other agreement Buyer and Seller or arising by operation of law or otherwise, which breach is not cured (90) day following notice thereof by Seller to Buyer; (c) the issuance or entry of an injunction or attachment against Buyer, the Property or any other property of Buyer; (d) any action by Buyer to file for bankruptcy or to seek protection under a receiver or of creditors or liquidating agents, the offering of a composition or extension to creditors, an assignment for the benefit of creditors or the commencement of any proceeding, suit or reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, in behalf of or with respect to Buyer; (e) the insolvency of Buyer, the suspension, termination, discharge or nonfeasibility of any order of a court of competent jurisdiction entered against Buyer; (f) any action by Buyer which impairs the condition or affects (financial or otherwise) of Buyer which in the good faith determination impairs Seller's security or increase its risk.

[illegible]

8. Application of Proceeds. The net proceeds realized upon any liquidation or disposition of the assets of the Company, after deduction of the expense of settling, holding, preparing for sale or lease and the like, and the reasonable attorney's fees and legal expenses and costs of Seller in enforcing or exercising any of its rights or remedies under this Agreement, shall be applied to the satisfaction of the obligations of Buyer secured under this Agreement in such order as may be appropriate by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to Seller the amount of any deficiency.

9. Buyer's Waiver. Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon and demands and notices of any description.

10. Financing Statements. Fixture filings and further assurances. Buyer hereby authorizes and lets financing statements authenticated records, and fixture filings of any time to any of the Property, in each case without Buyer's signature to the extent permitted Seller's request, Buyer shall execute one or more financing statements, fixture filings, statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller and take any and all steps required by Seller to maintain perfection of the secured interest, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. Assignment to Anada Capital Corporation. Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part. Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which have against Seller, and Buyer hereby expressly agrees not to assert any such claims, offsets against ACC.

2. Assignment by Buyer. Buyer may not assign, delegate or transfer any of its rights, but under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. The order of application of Buyer payments is at the discretion of Seller. Seller may at apply and off a Buyer's payment to any outstanding balances owing by Seller in the limited to Buyer late charges.

2. Notices. All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally or after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. Waiver, Amendment or Modification. No waiver, amendment or modification of a hereof or of any right or remedy hereunder shall be effective unless in writing and signed to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any right or remedy granted hereunder shall operate as a waiver of any such right or remedy or of any right or remedy by Seller on any one occasion shall be construed as a bar to or a limitation on any right or remedy on any future occasion. All rights and remedies of Seller are separable and the exercise of any right or remedy shall not limit or prejudice the exercise of any remedy.

4. Court Jurisdiction. Any controversy, claim, action or dispute arising out of or in connection with this agreement will be subject to the laws of the State of California and the parties hereto agree that any matters being adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated, in any matters relating to this Agreement or in the event either party seeks relief from the Act of 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor an award shall be given or any relief shall be granted or judgment shall be entered shall recover from the other party all costs and expenses (including attorneys' fees) incurred in the proceeding and any appeal therefrom.

6. Severability. In the event any provision or portion of any provision of this Agreement by a court of competent jurisdiction to be unenforceable or invalid, the remaining provision thereof shall remain in full force and effect.

7. Entire Agreement. Notwithstanding any purchase order submitted by Buyer within or on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the s hereof are expressly superseded and canceled by this Agreement.

8. Time is of the Essence. Except as to the provisions of this Agreement relating to sl and shipping delays, time is of the essence with respect to each of the terms, condition and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience only and shall not be construed to limit the scope or intent of this Agreement.

AMADA AMERICA

7025 Fireslane Blvd., Buena Park, CA 90621

EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business purposes only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement, including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER:

BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC BUYER'S TRADE NAME OR STYLE

☐ CORPORATION ☒ LIMITED LIABILITY CO. ☐ PARTNERSHIP ☐ PROPRIETORSHIP ☐ OTHER ORGANIZED UNDER THE LAWS OF THE STATE OF IL AMADA CUSTOMER NO. 29897

STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR. P.O. BOX CITY BATAVIA COUNTY IL ZIP CODE 60510 TELEPHONE (630) 406-7775

B. INSTALLATION SITE:

COMPANY NAME SAME AS "A" BRANCH / DIVISION

STREET ADDRESS CITY COUNTY STATE ZIP CODE TELEPHONE ()

REQUEST DELIVERY DATE SHIPPING INSTRUCTIONS FOB SHIPPING POINT AMADA CUSTOMER NUMBER CONTACT JOHN MAZUREK

C. BILLING INFORMATION:

BILLING ADDRESS 11005 PINEHIGH DR. P.O. BOX CITY ALPHARETTA COUNTY GA ZIP CODE 30022 TELEPHONE (678) 642-7409

BILLING INSTRUCTIONS AMADA CUSTOMER NUMBER 29897-1 CONTACT DICK CLARK

D. FOR SELLERS REFERENCE ONLY:

REGION NO. 72 DIVISION NO. 004 SALESMAN NO. 922 SALESMAN NAME JOHN WOODRUFF CUSTOMER P.O. NO. PAM6300601 P.O. DATE 06/30/

E. PAYMENT TERMS:

A. ☐ NET 30 DAYS ☐ C.O.D. ☒ MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60) ☐ OTHER 9.75%B. AMOUNT OF EACH MONTHLY INSTALLMENT \$540.93 C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 10-1-06 D. TAX EXEMPT PURCHASE ☒ YES ☐ NO E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE HERE)

Buyer agrees to make each installment payment to AMADA CAPITAL CORPORATION (D.B.A. CAP2096, Pasadena, California 91105-2096).

F. DESCRIPTION OF PROPERTY:

A. MACHINE MODEL NO. ID40ST B. SERIAL NO. C. ☒ NEW ☐ DEMO ☐ USED D. MACHINE DESCRIPTION: ONE (1) AMADA SPOT WELDER

E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS) QTY. CASH PRICE

F. DESCRIBE TRADE-IN H. VALUE OF TRADE-IN

I. LESS LIENS ☐ ALC < >

G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I. J. CREDIT FOR TRADE-IN (H-I)

TOTAL TO 4B

H. SUBTOTAL (D + E + F + G) \$32,000.00

I. LESS CREDIT FOR TRADE-IN FROM <

J. LESS CASH DOWN PAYMENT \$6,400.00

K. SUBTOTAL (H - I - J) (CASH BALANCE) \$25,600.00

L. TIME PRICE DIFFERENTIAL (M - K) \$6,855.00

M. TIME BALANCE (K + L) \$32,455.00

BUYER'S INSURANCE COMPANY PRUDENTIAL

BUYER'S INSURANCE AGENCY WEISS INS. NAME OF AGENT JIM WEISS

INSURANCE AGENCY'S ADDRESS 31 W. 680 ARMY TRAIL RD. P.O. BOX

CITY WAYNE STATE IL ZIP CODE 60184 TELEPHONE 630 384 1717

NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES IN FAVOR OF SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to correct any blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) BY

AMADA AMERICA, INC. (SELLER) BY

TITLE PRESIDENT DATE 7/20

TITLE DATE

THIS AGREEMENT SHALL NOT BE BINDING UPON SELLER UNTIL EXECUTED BY A DULY AUTHORIZED OFFICER OR MANAGER OF SELLER IN BUENA PARK, CALIFORNIA. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) BY

AMADA AMERICA, INC. (SELLER) BY

TITLE PRESIDENT DATE 7/20

TITLE DATE

THIS AGREEMENT SHALL NOT BE BINDING UPON SELLER UNTIL EXECUTED BY A DULY AUTHORIZED OFFICER OR MANAGER OF SELLER IN BUENA PARK, CALIFORNIA. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) BY

AMADA AMERICA, INC. (SELLER) BY

TITLE PRESIDENT DATE 7/20

TITLE DATE

A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, at its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed by freight collect. Freight charges for loading and unloading will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or in any way conflict with the instructions of Seller, then the instructions set forth on the facing page hereof. Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Unloading.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes, but is not limited to, erecting and installing equipment of operating personnel. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its designee will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may, upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer; and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES INCLUDING WITHOUT LIMITATION LOST PROFITS, AND NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Holdings.** Buyer represents and warrants to Seller that Buyer has good and marketable title to the trade-in, related to item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer agrees to indemnify Seller to allow any such trade-in to be transferred to Seller free of such lien or other interest. Buyer's remedies with such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, freight embargoes, shortages of labor or material, changes in government policy, laws or regulations (including but not limited to money exchange or transfer restrictions, impositions of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exception of any third party. If the cause or causes of such delay are removed, in the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section D.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC for such other financing company as may be involved to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefits under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessories thereto and replacements and modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to CDO sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay within due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and inspect and make extracts of all of Buyer's books and records relating thereto, during normal business hours; (f) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change in Buyer's legal name or any trade name or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall not, without prior written consent of Seller, sell, assign, exchange, lease, lend, license the use of, pledge, mortgage, grant a security interest in, or otherwise dispose of the Property or any rights therein, or use or operate the Property in a manner other than as intended by the manufacturer, or in violation of any insurance policy covering the Property, or remove or obliterate any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying insignia, serial number, or lettering on the Property, or permit the Property to become so altered as to result in its becoming a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss of damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller upon repaying the insured to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such policies shall be written and substantiated and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed by the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller as its attorney-in-fact, which appointment is coupled with an interest, to make claims for, receive, sue on and execute and endorse all documents, checks, or drafts received in payment of any loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, it hereby waives the right, but shall not be obligated, to obtain and maintain such insurance, and it reimburses Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE PERMANENTLY LIABLE TO SELLER FOR ANY LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE ARISING OUT OF LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default: (a) by Buyer in the payment, when due or payable of the purchase price of the Property or any thereof or interest thereon; (b) any breach of Buyer of any representation, warranty, or agreement (other than as to payment) set forth in this Agreement or any other agreement between Buyer and Seller or arising by operation of law or otherwise, which breach is not cured by (10) day following notice thereof by Seller to Buyer; (c) the issuance or entry of any judgment or attachment against Buyer, the Property or any other property of Buyer; (d) the entry of any order of bulk sale or intended bulk sale by Buyer; (e) the appointment of a receiver or of creditors or liquidating agents, the filing of a composition or extension to creditors, the assignment for the benefit of creditors or the filing of a voluntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the insolvency of Buyer, the suspension, termination, discharge or unavailability of an executed in favor of Seller with respect to any of the obligations secured hereby; or (f) any of the condition or affairs (financial or otherwise) of Buyer which in the good faith determination impairs Seller's security or increases its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time thereafter, Seller may, at its option, elect to continue the performance of the Property or to terminate the same. If Seller elects to continue the performance of the Property, it shall have any or all of the following rights and remedies: (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as in effect in any jurisdiction in which enforcement thereof is sought; (b) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (c) Seller shall have the right to take immediate and exclusive possession of any and all of the Property, wherever located, and to remove the same from the premises where such Property may be located, without prior notice, either personally upon the premises where such Property may be located or to remove the Property from such location for disposition or proceed to liquidate or otherwise dispose of the Property from such location; (d) Seller may require Buyer, at Buyer's expense, to remove the Property and make it available to Seller at any mutually convenient location, immediately at Seller's option; (e) Seller may, in its sole discretion, any time and from time to time, but only after giving Buyer at least ten (10) days prior written notice of its intention to dispose of the Property, agree to be reasonable notice, lease any of the Property on such terms and on such terms as Seller may consider appropriate, or sell, re-sell, transfer, assign, dispose of and deliver the Property, in one or more parcels, at the same or different times, and all right, title and interest therein, upon credit or for cash, or for future delivery, and all such price as Seller may determine; (f) in connection with any disposition for and purchase any of the Property, and by such purchase acquire all right, title and interest therein; (g) Seller may, in its sole discretion, at any time and from time to time, and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such property; and (h) Seller may in its own name or in the name of and on behalf of Buyer, and all actions required to cure any such Event of Default, and all sums expended by Seller such sums shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expenses of re-taking, holding, preparing for sale or lease and the like, and the reasonable attorney's fees and legal expenses and costs incurred by Seller in enforcing or exercising any of its rights or remedies under this Agreement, shall be applied to the obligations of Buyer secured under this Agreement in such order as may be appropriate to the satisfaction of such obligations. If the proceeds of such liquidation or disposition are insufficient to satisfy all of such obligations, then the proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to Seller the amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon or demands and notices of any description.

10. **Financing Statements.** Future filings and further assurances. Buyer hereby authorizes Seller to execute and file financing statements, unperfected records, and future filings of any kind in connection with the financing of the Property, in each case without Buyer's signature to the extent permitted by law. Buyer shall execute one or more financing statements, future filings, statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller and shall execute and file all such documents as may be required by Seller to perfect its security interest in the Property, and to fully assure to Seller its rights under this Agreement.

C. Assignment

1. **Assignment to Amada Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to ACC. Seller shall execute and file all such documents as may be required by ACC to perfect its security interest in the Property, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, duties under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. **Order of Application of Buyer Payments.** At the discretion of Seller, Seller may at its option apply all or a portion of any payment to any outstanding balances owing by Seller to Buyer, and the order of application of Buyer payments is at the discretion of Seller. Seller may at its option apply all or a portion of any payment to any outstanding balances owing by Seller to Buyer.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally or if after mailing it sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other party in writing.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of any right or of any right or remedy hereunder shall be effective unless in writing and signed by the party to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any right or remedy granted hereunder shall operate as a waiver of any such right, power or remedy. Any right or remedy by Seller on any one occasion shall not be construed as a bar to or waiver of the exercise of any future or other right or remedy. All rights and remedies of Seller are separate and distinct, and the exercise of any right or remedy shall not limit or prejudice the exercise of any other right or remedy.

4. **Cont Jurisdiction.** Any controversy, claim, action or dispute arising out of or related to this Agreement shall be subject to the laws of the State of California and the parties hereto agree to submit to the jurisdiction of the courts of the State of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated by any party to this Agreement or in the event either party seeks relief from the courts of the U.S.C. or the State of California for any cause of action, then the party in whose favor an award shall be given or any relief shall be granted or judgment shall be entered shall be entitled to recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.

6. **Severability.** In the event any provision or portion of any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions of this Agreement shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all oral agreements or understandings heretofore existing between the parties pertaining to the subject matter hereof are expressly superseded and canceled by this Agreement.

8. **Terms of the Essence.** Except as to the provisions of this Agreement relating to title and shipping delays, this Agreement is of the essence with respect to each of the terms, conditions and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience only and do not constitute a part of this Agreement.

AMADA AMERICA, INC.

7025 Firesstone Blvd., Buena Park, CA 90621

FILE NUMBER 12901-CB

EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER:									
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC					BUYER'S TRADE NAME OR STYLE				
<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER					ORGANIZED UNDER THE LAWS OF THE STATE OF: IL		AMADA CUSTOMER NUMBER 29897		
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.			P.O. BOX	CITY BATAVIA	COUNTY	STATE IL	ZIP CODE 60510	TELEPHONE (630) 406-777	
B. INSTALLATION SITE:									
COMPANY NAME SAME AS "A"					BRANCH / DIVISION				
STREET ADDRESS					CITY	COUNTY	STATE	ZIP CODE	TELEPHONE ()
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT			AMADA CUSTOMER NUMBER		CONTACT JOHN MAZUREK		
C. BILLING INFORMATION:									
BILLING ADDRESS 11005 PINEHIGH DR.			P.O. BOX	CITY ALPHARETTA	COUNTY	STATE GA	ZIP CODE 30022	TELEPHONE (678) 642-740	
BILLING INSTRUCTIONS			AMADA CUSTOMER NUMBER 29897-1		CONTACT DICK CLARK				
D. FOR SELLERS REFERENCE ONLY:									
REGION NO. 72	DIVISION NO. 006	SALESMAN NO. 922	SALESMAN NAME JOHN WOODRUFF			CUSTOMER P.O. NO. PAM6300601		P.O. DATE 06/30	
E. PAYMENT TERMS:									
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60) <input type="checkbox"/> OTHER					9.7%				
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$1,519.33			C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 5-15-07		D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE HEREOF)		
If this Agreement is for an installment sale, Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION, Dept. LA22096, Pasadena, California 91105-2096									
F. DESCRIPTION OF PROPERTY:									
A. MACHINE MODEL NO. APS		B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA SOFTWARE PACKAGE			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)						QTY.	CASH PRICE		
F. DESCRIBE TRADE-IN						TOTAL TO 4B			
H. VALUE OF TRADE-IN						I. LESS LIENS <input type="checkbox"/> ALC			
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I.						J. CREDIT FOR TRADE-IN (H-I)			
ITEM 4: INSURANCE:									
BUYER'S INSURANCE COMPANY FRANKEN MATH					POLICY NO. 8444874				
BUYER'S INSURANCE AGENCY WEISS INS.					NAME OF AGENT Jim Perelli				
INSURANCE AGENCY'S ADDRESS 31 W 680 Army Trail					P.O. BOX				
CITY Wayne		STATE IL		ZIP CODE 60184		TELEPHONE 630-584-1177			
NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.									
ITEM 5: PRICE:									
A. CASH PURCHASE PRICE FOR MA					\$89,880				
B. CASH PURCHASE PRICE FOR TOOLING/AC									
C.									
D. TOTAL CASH PURCHASE PRICE (A+B+C)					\$89,880				
E. SALES TAX (RATE + %) N									
F.									
G.									
H. SUBTOTAL (D + E + F + G)					\$89,880				
I. LESS CREDIT FOR TRADE-IN FROM					<				
J. LESS CASH DOWN PAYMENT					<				
K. SUBTOTAL (H - I - J) (CASH BALANCE)					\$71,904				
L. TIME PRICE DIFFERENTIAL (M - K)					\$19,255				
M. TIME BALANCE (K + L)					\$91,159				

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES IN THE SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE)	BY <i>[Signature]</i>	TITLE <i>President</i>	DATE <i>7/15</i>
AMADA AMERICA, INC. (SELLER)	BY <i>[Signature]</i>	TITLE	DATE

A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property in FOB point of shipment from Seller in the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer and Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for loading and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the fifth (5th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or unqualified or imprudent, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to assign for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Handling.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its designee will, at the request of Buyer, conduct an inspection to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable costs), cancel this Agreement in whole or in part without further liability to Buyer, and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Trade-In.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, freight embargoes, shortages of labor or materials, changes in governmental policy, laws or regulations (including but not limited to money exchange or transfer restrictions, impositions of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers or delegates to complete performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section B.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC for such other financing company as may be involved to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefits under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all acccessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Code, the security interest granted hereby is a perfected security interest, and the performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with all applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and inspect and make abstracts of all of Buyer's books and records relating thereto, during normal business hours; (f) shall promptly notify Seller of the occurrence of any event which materially and adversely affects the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change of Buyer or a legal name or any trademark or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall not, without the prior written consent of Seller, sell, assign, exchange, lease, lend, license the use of, or operate the Property in a manner other than as intended by the manufacturer, or in violation of any applicable laws, regulations, codes, standards, or otherwise, any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying number, serial number, or lettering on the Property, or permit the Property to become so affixed to realty as to become a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with coverages, exclusions, conditions, terms, and amounts of coverage as policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to time request. The proceeds of such insurance shall be applied, at the option of Seller, to the replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed by the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller as its attorney-in-fact, with all authority, to execute and endorse all documents, checks, or drafts received in payment of any loss or under any such policy of insurance. If Buyer fails to procure or maintain such insurance, it waives the right, but shall not be obligated, to obtain and maintain such insurance, and it reimburses Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without the written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE PERMANENTLY AND EXCLUSIVELY LIABLE TO SELLER FOR ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE ARISING OUT OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default: (a) by Buyer in the payment, when due or payable of the purchase price of the Property or any interest thereon; (b) any breach of Buyer of any representation, warranty, or agreement (other than as to payment) set forth in this Agreement or any other agreement between Seller and Buyer; (c) the failure of Buyer to pay to Seller any amount due to Seller by (i) the day following notice thereof by Seller to Buyer; (ii) the issuance or entry of any judgment or attachment against Buyer, the Property or any other property of Buyer; (iii) the filing of a bill of lading or intended bill of lading by Buyer; (iv) the appointment of a receiver or of creditors or liquidating agents, the offering of a composition or extension to creditors, the assignment for the benefit of creditors or the commencement of any proceeding, suit or litigation, or the filing of a petition for bankruptcy or other laws relating to the insolvency of Buyer, the suspension, termination, discharge or unenforceability of any executed in favor of Seller with respect to any of the obligations secured hereby; or (v) the condition or affairs (financial or otherwise) of Buyer which in the good faith determination impairs Seller's security or increase its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time before an Event of Default shall be continuing, in addition to any other rights or remedies Seller may have, Seller shall have the right to: (a) enforce its rights and remedies; (b) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as in effect in any jurisdiction in which enforcement is sought; (c) Seller may, at its option, accelerate and declare immediately due and payable; (d) Seller shall have the right to take possession of any and all of the Property, wherever located, and to sell, lease, assign, or otherwise dispose of the same, with or without judicial process, a without prior notice, enter peacefully upon the premises where such Property may be situated without the Property from such location for disposition or proceed to liquidate or otherwise dispose of the Property from such location; (e) Seller may require Buyer, at Buyer's expense, to pay to Seller the amount of any deficiency of any of the Property, wherever located, to Seller; (f) Seller may, in its sole discretion, at any time and from time to time, but only after given Buyer at least ten (10) days prior written notice of its intention to dispose of the Property, hereby agreed to be reasonable notice, lease any of the Property on such terms and in such manner as Seller may consider appropriate, or sell, re-sell, transfer, assign, dispose of and deliver the Property, in one or more parcels, at the same or different times, and all right, title and interest in the Property, in whole or in part, for cash, on credit or for future delivery, and at such price as Seller may determine; (g) in connection with any disposition for and purchase any of the Property, and by such purchase acquire all right, title and interest therein; (h) Seller may, for and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such property; and (i) Seller may in its own name or in the name of and on behalf of Buyer and all actions required to cure any such Event of Default, and all sums expended by Seller in such cure shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of retaking, holding, preparing for sale or lease and the title, and the reasonable attorney's fees and legal expenses and costs incurred by Seller in enforcing or exercising any of its rights or remedies under this Agreement, shall be applied to the obligations of Buyer secured under this Agreement in such order as may be determined by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to Seller the amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon and all demands and notices of any description.

10. **Financing Statements.** Fixture filings and further assurances. Buyer hereby authorizes and the financing statements, unperfected records, and fixture filings at any time or from time to time of the Property, in each case without Buyer's signature to the extent permitted by Seller's request. Buyer shall execute and file one or more financing statements, fixture filings, or statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller shall take any and all steps required by Seller to maintain perfection of the security granted hereunder, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. **Assignment to Amada Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to ACC. Buyer shall execute and file one or more assignments of this Agreement, and all claims, defenses or offsets which have against Seller, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, title or interest under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. **Order of application of Buyer payments** is at the discretion of Seller. Seller may at its option apply all of a Buyer's payment to any outstanding balances owing by Seller including but not limited to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally or if, after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of any hereof or of any right or remedy hereunder shall be effective unless in writing and signed by the party to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any right or remedy granted hereunder shall operate as a waiver of any such right, power or remedy. Any right or remedy by Seller on any one occasion shall not be construed as a bar to or a waiver of any right or remedy on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or prejudice the exercise of any other remedy.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or related to this Agreement will be subject to the laws of the State of California and the parties hereto agree that matters being adjudicated in the jurisdiction of California.

5. **Attorney's Fees.** In the event any arbitration or judicial action or proceeding is initiated by or on behalf of the parties to this Agreement or in the event either party seeks relief from the court of 11 U.S.C. Section 362 for any successor status thereto, then the party in whose favor any award shall be given or any relief shall be granted or judgment shall be entered shall be recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.

6. **Severability.** In the event any provision or portion of any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions hereof shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all prior agreements or understandings heretofore existing between the parties pertaining to the subject matter hereof are hereby superseded and canceled by this Agreement.

8. **Third Party Beneficiary.** Except as to the provisions of this Agreement relating to ship, the parties to this Agreement intend that the provisions of this Agreement shall be for the benefit of the parties and their legal representatives, successors and assigns.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience and do not constitute a part of this Agreement.

AMADA AMERICA, INC.

7025 Firestone Blvd., Buena Park, CA 90621

AGREEMENT NUMBER 1455

FILE NUMBER 12901-CBC

EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER:									
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC					BUYER'S TRADE NAME OR STYLE				
<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER					ORGANIZED UNDER THE LAWS OF THE STATE OF: IL		AMADA CUSTOMER NUMBER 29897		
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX	CITY BATAVIA	COUNTY	STATE IL	ZIP CODE 60510	TELEPHONE (630) 406-777
B. INSTALLATION SITE:									
COMPANY NAME SAME AS "A"					BRANCH / DIVISION				
STREET ADDRESS					CITY	COUNTY	STATE	ZIP CODE	TELEPHONE ()
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT			AMADA CUSTOMER NUMBER		CONTACT JOHN MAZUREK		
C. BILLING INFORMATION:									
BILLING ADDRESS 11003 PINBRIER DR.				P.O. BOX	CITY ALPHARETTA	COUNTY	STATE GA	ZIP CODE 30022	TELEPHONE (678) 642-740
BILLING INSTRUCTIONS				AMADA CUSTOMER NUMBER 29897-1		CONTACT DICK CLARK			
D. FOR SELLERS REFERENCE ONLY:									
REGION NO. 72	DIVISION NO. 006	SALESMAN NO. 922	SALESMAN NAME JOHN WOODRUFF			CUSTOMER P.O. NO. PAM6300601		P.O. DATE 06/30	
E. PAYMENT TERMS:									
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60) <input type="checkbox"/> OTHER 9.7%									
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$1,132.57			C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 5-15-07			D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE HEREOF)	
If this Agreement is for an installment sale, Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION, Dept. LA22096, Pasadena, California 91185-2096									
F. MACHINE DESCRIPTION:									
A. MACHINE MODEL NO. FABRIVISION		B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA INSPECTION MACHINE			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)						QTY.	CASH PRICE		
FREIGHT							\$1,800.00		
EPSCA SUPERSEDES PURCHASE ORDER									
TOTAL TO 4B									
F. DESCRIBE TRADE-IN						H. VALUE OF TRADE-IN			
						I. LESS LIENS <input type="checkbox"/> ALC			
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I.						J. CREDIT FOR TRADE-IN (H-I)			
BUYER'S INSURANCE INFORMATION:									
BUYER'S INSURANCE COMPANY FRANKENMUTH MOTOR INS						POLICY NO. 089974874			
BUYER'S INSURANCE AGENCY Weiss INS						NAME OF AGENT Jim Parilli			
INSURANCE AGENCY'S ADDRESS 31 W 680 ARMY TRAIL						P.O. BOX			
CITY WAYNE		STATE IL		ZIP CODE 60184		TELEPHONE (630) 584-1717			
NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.									
ITEM 4: TOTALS									
A. CASH PURCHASE PRICE FOR MACHINE						\$64,700			
B. CASH PURCHASE PRICE FOR TOOLING/ACC.									
C.						\$1,800			
D. TOTAL CASH PURCHASE PRICE (A + B + C)						\$66,500			
E. SALES TAX (RATE + %)						N			
F.									
G.									
H. SUBTOTAL (D + E + F + G)						\$66,500			
I. LESS CREDIT FOR TRADE-IN FROM						<			
J. LESS CASH DOWN PAYMENT						<			
K. SUBTOTAL (H - I - J) (CASH BAL)						\$53,600			
L. TIME PRICE DIFFERENTIAL (K)						\$14,354			
M. TIME BALANCE (K + L)						\$67,954			

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW, BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND IT UNDERSTANDS THAT THE AGREEMENT CREATES IN THE SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to execute this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) X BY John Mazurek X TITLE Pres X DATE 3/27/08
AMADA AMERICA, INC. (SOLD TO) BY Jim Parilli TITLE Agent DATE 3/27/08

A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unsold Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustment. Changes within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment. Buyer will be deemed to have waived all such objections.
2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.
3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for tonnage and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.
4. **Liability.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.
5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical or if implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.
6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the expected delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.
7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss of or damage to this Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.
8. **Rigging.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.
9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority, provided, however, that in the event of any such failure to meet such codes or standards, Seller or its delegates will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer; and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.
10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXERCISED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.
11. **Trade-In.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Anadarko Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.
12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, or other unavoidable causes, freight embargoes, shortages of labor or materials, changes in governmental policy, laws or regulations (including but not limited to money exchange or transfer restrictions, impositions of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary for Seller and its suppliers or delegates to complete its performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.
13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section 8.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.
14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any branch of this Agreement by Buyer.
15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment receivable at will by Seller.
16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Code. In addition, the security interest granted hereby constitutes a first lien in full and lawful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.
2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.
3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with all applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and inspect and make extracts of all of Buyer's books and records relating thereto, during normal business hours; (f) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change of Buyer's legal name or any trade name or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall, without prior written consent of Seller, sell, assign, exchange, lease, lend, license the use of, pledge, encumber, grant a security interest in or dispose of the Property or Buyer's rights therein, or use or operate the Property in a manner other than as intended by the manufacturer, or in violation of any insurance policy covering the Property, or permit or oblige any mailings sent by Seller to the Property or give notice of Seller's security interest therein or any identifying instructions, serial number, or labeling on the Property, or permit the Property to become so altered or re-labeled as to become a fixture.
4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed, or to the payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller attorney-in-fact, which appointment is coupled with an interest, to make claims for, receive and execute and endorse all documents, checks, or drafts received in payment of any loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, Seller shall have the right, but shall not be obligated, to obtain and maintain such insurance, and reimburse Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without the prior written consent of Seller. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY ALL LOSS ON DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE ARISING OUT OF IMPROPER LOCATION OF THE PROPERTY OR ANY SECURITY INTEREST IN THE PROPERTY.

6. **Default.** This occurrence of any of the following shall constitute an Event of Default: (a) by Buyer in the payment, when due or payable of the purchase price of the Property or any thereof or interest thereon; (b) any breach of Buyer of any representation, warranty, or agreement (other than as to payment) set forth in this Agreement or any other agreement between Buyer and Seller or arising by operation of law or otherwise, which breach is not cured 10 (ten) days following notice thereof by Seller to Buyer; (c) the issuance or entry of any injunction or attachment against Buyer, the Property or any other property of Buyer; (d) if any notice of bulk sale or intended bulk sale by Buyer; (e) the appointment of a receiver or liquidator or liquidation of Buyer, the offering of a composition or extension to creditors, or an assignment for the benefit of creditors or the commencement of any proceeding, suit or reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to Buyer; (f) the suspension, termination, discharge or nonenforcement of an order or judgment of a court of competent jurisdiction in favor of the obligee secured hereby; or (g) as the condition or affairs financial (as otherwise) of Buyer which in the good faith determination impairs Seller's security or increases its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time when an Event of Default shall be continuing, in addition to any other rights or remedies Seller may have under any or all of the following rights and remedies: (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as in effect in any jurisdiction in which enforcement hereof is sought; (b) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (c) Seller shall have the immediate and exclusive possession of any and all of the Property, wherever located, together with all documents and records relating thereto, and without judicial process without prior notice, enter peacefully upon the premises where such Property may be and remove the Property from such location for disposition or proceed to liquidate or otherwise dispose of the Property from such location; (d) Seller may require Buyer, at Buyer's expense, to do all that Seller may require in order to effect the removal of the Property from such location; (e) Seller may, at its sole discretion, at any time from time to time, but only after given Buyer at least ten (10) days prior written notice of its intention to dispose of the Property hereby agreed to be reasonable notice, lease any of the Property on such terms and in such manner as Seller may consider appropriate, or sell, resell, transfer, assign, dispose of and deliver the Property to any third party, at the same or at a different time, and at all right, title, interest, at public or private sale, for cash, upon credit or for future delivery, and at such price as Seller may determine; (f) in connection with any disposition for and purchase any of the Property, and by such purchase acquire all right, title and interest therein; (g) Seller may, for and on behalf of Buyer, make and deliver to any purchaser of any of the Property, sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such purchase; and (h) Seller may, in its own name or in the name of or on behalf of and all actions required to cure any such Event of Default, and all sums expended by Seller such cure shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposal of the Property, after deduction for the expense of retaining, holding, preparing for sale or for leasing and the like, and the reasonable attorney's fees and legal expenses and costs, shall be applied to the payment of the obligations of Buyer secured under this Agreement in such order as may be appropriate by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to Seller the amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property provided, Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon and all demands and notices of any description.

10. **Financing Statements.** Fixture filings and further assurances. Buyer hereby authorizes, executes and the financing statements, authenticated records, and fixture filings at any time, to any of the parties hereto, in such cases without the Buyer's signature to the extent permitted by Seller's request. Buyer shall execute one or more financing statements, fixture filings, or statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller and shall take any and all steps required by Seller to maintain perfection of the security interest hereunder, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. **Assignment to Anadarko Capital Corporation.** Unless otherwise agreed by the parties hereto, any of the parties hereto may assign all or part of its rights hereunder, in whole or in part, to ACC. Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which it may have against ACC, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.
2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, title or interest under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. **The order of application of Buyer payments** is at the discretion of Seller. Seller may at any time apply all of a Buyer's payment to any outstanding balances owing by Seller included in the invoice to Buyer late charges.
2. **Notices.** All notices, demands or consents required or permitted to be given under the Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally or after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other party in writing.
3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of this Agreement or of any right or remedy hereunder shall be effective unless in writing and signed by the party to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any right or remedy granted hereunder shall operate as a waiver of any such right, power or remedy, or any right or remedy by Seller on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or prejudice the exercise of any other right or remedy.
4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or in connection with this Agreement shall be subject to the laws of the State of California and the parties hereto agree that any action brought by either party shall be brought in the courts of the State of California.
5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated by any party relating to this Agreement or in the event either party seeks relief from the arbitrator or from a court of competent jurisdiction (or any successor status thereto), then the party in whose favor a judgment shall be given or any relief shall be granted or judgment shall be entered shall be entitled to recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.
6. **Severability.** In the event any provision or portion of any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions of this Agreement shall remain in full force and effect.
7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all other agreements or understandings heretofore or hereafter made between the parties pertaining to the subject matter hereof are expressly superseded and canceled by this Agreement.
8. **Assignment of the Agreement.** Except as to the provisions of this Agreement relating to the security interest, this Agreement shall be assigned to each of the parties, successors and assigns.
9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon and to the benefit of the parties and their legal representatives, successors and assigns.
10. **Headings.** Headings contained in this Agreement are for purposes of convenience and do not constitute a part of this Agreement.



EQUIPMENT PURCHASE AND SECURITY AGREEMENT

TYPE OR PRINT ONLY

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES IN FAVOR OF SELLER A SECURITY INTEREST IN THE PROPERTY.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A., ABOVE)	BY 	TITLE <u>President</u>	DATE <u>7/30</u>
UNITED AMERICA INC. #00000000	BY 	TITLE	DATE

A. Terms and Conditions of Sale

1. Price and Price Adjustments. The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. Taxes. The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for tooling and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. Shipping Instructions. Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. Shipment. Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. Title, Risk of Loss and Insurance. Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Rigging.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer; and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

4. Installation. Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority. If, at any time, Seller determines that the Property does not comply with applicable standards, Seller or its designee will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to complete such modifications will delay the completion of any necessary inspections and the obtaining of any necessary permits or approvals. In the event Seller determines that such modifications are necessary upon referring to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer, and provided further that if Buyer so requests, Seller may, but shall not be obligated to, reimburse Seller for the net cash expense of Buyer, payments for which shall be made by Buyer in advance of Seller's performance.

10. Warranty and Limitation of Liability. EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXCITED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND SELLER EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Indemnity.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, delivered to Item 3.F on the facing page hereto, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation America Capital Corporation ("ACC"), asserts a lien on or any interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Seller's premises until such time as Seller may determine to sell, lease, repossess, or re-sell, and Buyer shall indemnify and hold Seller harmless from and save harmless to Seller from all claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, or other causes beyond the control of Seller or its suppliers or delegates, Seller's obligations (including but not limited to money exchanges or transfer restrictions, impositions of quotas or limitations of shipments, or in any other cause or causes beyond the control of Seller or its suppliers or delegates, in whole or in part) shall be suspended for the period of such suspension, to the extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exercise of reasonable diligence after the cause or causes have been removed. If the suspension of Seller's obligations hereunder exceeds 60 (sixty) months, either party may terminate the obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section 8.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. Condition Precedent to Seller's Obligations. On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

18. Financing. Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

Grant of Security Interest. To secure payment of the purchase price of the Property, Buyer hereby grants to Seller a security interest in the Property, and all acccessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the benefits of this Fair Market Value shall not apply with respect to the CDO sales of Properties which payments are actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer:** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. Certain Covenants of Buyer. Not so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with all applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and other encumbrances; (e) shall not use the Property for any illegal or unauthorized purpose; (f) shall inspect and make extracts of all of Buyer's books and records relating thereto, during normal business hours; (g) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (h) shall promptly notify Seller in writing of any change of ownership, control, management, operation or financial structure of Buyer; (i) shall promptly furnish to Seller upon request certain financial statements of Buyer; and (j) shall not, without prior written consent of Seller, sell, assign, lease, license, convey, transfer, license the use of, pledge, encumber, grant a security interest in or dispose of the Property of Buyer, or any part thereof, or otherwise dispose of the Property of Buyer, or permit the manufacture or use in violation of any insurance policy covering the Property, or remove or obliterate any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any other notice of Seller's interest in the Property, or permit the Property to become so encumbered or liable to litigation, or become a fixture.

4. Insurance. Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller or shall furnish to Seller such other evidence of insurance as Seller may from time to time request.

line request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed by fire, theft or other cause, or to reimbursement of Buyer hereunder. Buyer hereby irrevocably appoints Seller as its agent-in-fact, which appointment is complete in interest, to make claims for recovery, to sign and execute and endorse all documents, checks, or drafts received in payment of any loss or damage under any such policy of insurance. If Buyer fails to procure or maintain such insurance, Seller, at its option, shall have the right, but shall not be obligated, to obtain and maintain such insurance, and the reimbursement Seller for the cost thereof.

5. Covenants Regarding Location of Property. Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE ARISING OUT OF LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. Default. The occurrence of any of the following shall constitute an Event of Default, (a) by Buyer in the payment, when due or payable of the purchase price of the Property or any interest or interest thereon; (b) any breach of Buyer of any representation, warranty, or agreement (other than as to payment) set forth in this Agreement or any other agreement Buyer and Seller or arising by operation of law or otherwise, which breach is not cured by [91] day following notice thereof by Seller to Buyer; (c) the issuance or entry of any judgment or order of a court of competent jurisdiction against Buyer, the property or any interest therein, for any reason, including but not limited to the failure of Buyer, (d) any notice of bankruptcy, sale or liquidation of Buyer; (e) the appointment of a receiver or of creditors or liquidating agents, the offering of a composition or extension to creditors, is an assignment for the benefit of creditors or the commencement of any proceeding, suit or reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to Buyer; (f) insolvency of Buyer, the suspension, termination, discharge or unenforceability of any debts or obligations of Buyer; (g) the occurrence of any event which, in the opinion of the Seller, constitutes a material adverse change in the financial condition or affairs (financial or otherwise) of Buyer which in the good faith determination impairs Seller's security or increases its risk;

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time thereafter, Event of Default shall be continuing, in addition to any other rights or remedies Seller may have, Seller shall have any or all of the following rights and remedies: (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as in effect in any jurisdiction having jurisdiction over the Property, whether or not Seller has perfected its security interest in the Property, and Seller shall be deemed to have taken such action as may be necessary to perfect its security interest in the Property, including but not limited to the filing of a financing statement, and Seller hereby agrees to immediately do and payable; (c) Seller shall have the right of immediate and exclusive possession of any and all of the Property, wherever located, whether or not Seller has perfected its security interest in the Property, and Seller shall have the right to remove the Property from Buyer and for this purpose Seller may, with or without judicial process, a writ of replevin, or other legal process, remove the Property from the location where it is located, and Seller shall have the right to remove the Property from such location for disposition or proceed to liquidate or otherwise dispose of the Property from such location; (d) Seller may require Buyer, at Buyer's expense, to assuage and make it available to Seller at any mutually convenient location reasonably accessible to Seller; (e) Seller may, in its sole discretion, any time and from time to time, but only after giving Buyer at least thirty (30) days prior written notice of its intent to do so, remove the Property from Buyer and to reassign, lease or sell or dispose of the Property on such terms and in such a manner as Seller may consider appropriate, or sell, reassign, transfer, assign, dispose of and deliver to a third party, all or any portion of the Property, in one or more parcels, at the same or different times, and with right, title or interest, at public or private sale, for cash, upon credit or for future delivery, and at such price as Seller may determine; (f) in connection with any disposition for and purchase price of the Property by or on behalf of Buyer, Seller may require Buyer to pay to Seller the purchase price for and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such Property to such purchaser; and (g) Seller may in its own name or in the name of and on behalf of Seller, require that such Event of Default, and all such sums expended by Seller to remedy such Event of Default shall be secured hereby.

8. Application of Proceeds. The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of settling, holding, preparing for sale or transfer and the like, and the reasonable attorney's fees and agent's expenses and costs by Seller in enforcing or availing of any of its rights or remedies under this Agreement, shall be satisfaction of the obligations of Buyer secured under this Agreement in such order as may be appropriate by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to the amount of any deficiency.

9. Buyer's Waiver. Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon on demands and notices of any description.

10. **Financing Statements, Fixture Filings and further assurances.** Buyer hereby authorizes execute and file financing statements authenticated records, and fixture filings at any time live to any of the Property, in each case without Buyer's signature to the extent permitted by Seller's request. Buyer shall execute one or more financing statements, fixture filings, cc statements or other filings pursuant to the Uniform Commercial Code in form satisfactory Buyer shall take any and all steps required by Seller to maintain perfection of the security granted hereunder, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. Assignment to Amada Capital Corporation. Unless otherwise agreed by the parties Seller may at any time assign this Agreement and its rights hereunder, in whole or in part. Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which have against Seller, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.

2. Assignment by Buyer. Buyer may not assign, delegate or transfer any of its rights, duties under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. The order of application of Buyer payments is at the discretion of Seller. Seller may at its apply and all of a Buyer's payment to any outstanding balances owing by Seller including limited to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this shall be in writing and shall be deemed effective upon delivery if delivered personally or if after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. Waiver, Amendment or Modification. No waiver, amendment or modification of any heretofore or of any right or remedy hereunder shall be effective unless in writing and signed by to be bound by the Seller. No delay by Seller in exercising any right or remedy hereunder shall operate as a waiver of any such right, power or remedy. Any right or remedy by Seller on any one occasion shall not be construed as a bar to or we right or remedy on any future occasion. All rights and remedies of Seller are separate and and the exercise of any right or remedy shall not limit or prejudice the exercise of any of its remedy.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this agreement will be subject to the laws of the State of California and the parties hereto agree that any matters being adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated and any matters relating to this Agreement or in the event either party seeks relief from the act of 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor an award shall be given or any relief shall be granted or judgment shall be entered shall be recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.

6. Severability. In the event any provision or portion of any provision of this Agreement shall be found by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions thereof shall remain in full force and effect.

7. Entire Agreement. Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all prior agreements or understandings heretofore existing between the parties pertaining to the subject hereof are expressly superseded and canceled by this Agreement.

B. Time is of the Essence. Except as to the provisions of this Agreement relating to ship and shipping delays, time is of the essence with respect to each of the terms, conditions, and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding shall inure to the benefit of the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience or not part of this Agreement.

FILE NUMBER 12901-CL00

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMÉRICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3. below ("Property"), on the terms and conditions set forth in this Agreement, including without limitation the terms and conditions set forth on the reverse hereof.

A. DESCRIPTION OF BUYER:							
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC				BUYER'S TRADE NAME OR STYLE			
<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER _____				ORGANIZED UNDER THE LAWS OF THE STATE OF: IL		AMADA CUSTOMER 29897	
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX	CITY BATAVIA	COUNTY IL	STATE 60510 TELEPHONE (630) 406-777
B. INSTALLATION SITE:							
COMPANY NAME SAME AS "A"				BRANCH / DIVISION			
STREET ADDRESS				CITY	COUNTY	STATE	ZIP CODE ()
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT		AMADA CUSTOMER NUMBER		CONTACT JOHN MAZUREK	
C. BILLING INFORMATION:							
BILLING ADDRESS 11005 PINEHIGH DR.				P.O. BOX	CITY ALPHARETTA	COUNTY GA	STATE 30022 TELEPHONE (678) 642-740
BILLING INSTRUCTIONS				AMADA CUSTOMER NUMBER 29897-1		CONTACT DICK CLARK	
D. FOR SELLERS REFERENCE ONLY:							
REGION NO. 72	DIVISION NO. 001	SALESMAN NO. 922	SALESMAN NAME JOHN WOODRUFF			CUSTOMER P.O. NO. PAM6300601	P.O. DATE 06/30
E. PAYMENT TERM:							
<input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60)				<input type="checkbox"/> OTHER _____ 9.75			
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$6,437.38		C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 5-15-07		D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE HEP)	
If this Agreement is for an installment sale, Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION Dept. UA22096 Pasadena, California 91185-2096							
F. MACHINE MODEL NO. SERIAL NO. C. NEW DEMO USED D. MACHINE DESCRIPTION ONE (1) AMADA TURRET PUNCH PRESS							
A. MACHINE MODEL NO. EM2510NT		B. SERIAL NO.					
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)				QTY.	CASH PRICE		
TOOLING PACKAGE (\$88000)					\$66,880.00		
SCRAP CONVEYOR					\$6,705.00		
TOTAL TO 4B					\$73,585.00		
F. DESCRIBE TRADE-IN				H. VALUE OF TRADE-IN			
				I. LESS LIENS <input type="checkbox"/> ALC		< >	
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4L				J. CREDIT FOR TRADE-IN (H-I)			
BUYER'S INSURANCE COMPANY FRANKENMUTH MUTUAL				POLICY NO. CPD1974874			
BUYER'S INSURANCE AGENCY Weiss Ins.				NAME OF AGENT JIM PARILLI			
INSURANCE AGENCY'S ADDRESS 31 N 680 ARMY TRAIL RD.				P.O. BOX			
CITY Wayne	STATE IL	ZIP CODE 60184	TELEPHONE (630) 584-1717				
NOTE: Section B 4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.							

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to con-
 blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement.
 execution of this Agreement by Buyer.

BUYER (IDENTIFIED IN ITEM 1.A, ABOVE)	BY <i>John M. Ruff</i>	TITLE <i>President</i>	DATE <i>7/20</i>
AMADA AMERICA, INC. ("SELLER")	BY	TITLE	DATE

A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustment. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.
2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.
3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for loading and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.
4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.
5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.
6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.
7. **Title, Risk of Loss, and Insurance.** Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.
8. **Packing.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and reworking the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.
9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its delegatee will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may upon relaying to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer, and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.
10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES INCLUDING WITHOUT LIMITATION LOST PROFITS, AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.
11. **Trade-In.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that such trade-in is not owned by Buyer and party, including without limitation Amada Capital Corporation ("ACC"), assigns a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss, damage or injury to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.
12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riot, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, embargoes, security freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations (including but not limited to money exchanges or transfer restrictions, impositions of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.
13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section B.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.
14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.
15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefits under a bailment revocable at will by Seller.
16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and initial performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.
2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.
3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with all applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay when due taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and have; (f) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change of Buyer's legal name or any trade name or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall not, without prior written consent of Seller, sell, assign, exchange, lease, lend, license the use of, pledge, encumber, grant a security interest in or dispose of the Property of Buyer's rights therein, or use or operate the Property in a manner other than as intended by the manufacturer, or a violation of any insurance policy covering the Property, remove or otherwise any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying insignia, serial number, or lettering on the Property, or permit the Property to become so affixed to reality as to become a fixture.
4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with coverage and exclusions as Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed, or to the payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller as attorney-in-fact, which appointment is coupled with an interest, to make claims for, receive proceeds and execute and endorse all documents, checks, or drafts received in payment of any loss or under any such policy of insurance. If Buyer fails to procure or maintain such insurance, it shall have the right, but shall not be obligated, to obtain and maintain such insurance, and to reimburse Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property located at which installed or otherwise changes the location of any of the Property without written consent of Seller in writing. Each SIGHTORY REFLECTOR WILL BE PERMANENTLY ATTACHED TO SELLER FOR ALL LOSS ON DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE ARISING FROM LOSS OF PERFECTION OF SELLER'S ON ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default: (a) by Buyer in the payment, when due or payable of the purchase price of the Property or any interest thereon; (b) any breach of Buyer of any representation, warranty, or covenant set forth in this Agreement or any other agreement between Buyer and Seller or arising by operation of law or otherwise, which breach is not cured by the (9th) day following notice thereof by Seller to Buyer; (c) the issuance or entry of any injunction or attachment against Buyer, the Property or any other property of Buyer; (d) the any notice of bulk sale or intended bulk sale by Buyer; (e) the appointment of a receiver or of creditors or liquidating agents, the offering of a composition or extension to creditors, the immediate and exclusive possession of any and all of the Property, whenever located, by a court of law or by a receiver or liquidator, or the commencement of any proceedings, suit or reorganization, dissolution or liquidation under any bankruptcy or other laws relating to the debts, to the extent that any of the foregoing is by, for, on behalf of or with respect to the insolvency of Buyer, the suspension, termination, discharge of unenforceability of any executed in favor of Seller with respect to any of the obligations secured hereby; (a) did any, sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such Property, in part or in whole, to any third party, which in the good faith determination impairs Seller's security or increases its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time thereafter, Seller shall be continuing, in addition to any other rights or remedies Seller may have in such case, the following rights and remedies: (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as its effect in any jurisdiction which enforcement hereof is sought; (b) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (c) Seller shall have the right to immediately and exclusively possession of any and all of the Property, whenever located, interference from Buyer and for this purpose Seller may, with or without judicial process a without prior notice, enter peacefully upon the premises where such Property may be sit remove the Property from such location for disposition or proceed to liquidate or otherwise dispose of the Property from such location; (d) Seller may require Buyer, at Buyer's expense, to assist in the removal of the Property from such location; (e) Seller may, at its option, sell, lease, or otherwise dispose of the Property, in whole or in part, at the same or different time, and all right, title or interest therein, at public or private sale, for cash, upon credit or for future delivery, and at such price as Seller may determine; (f) in connection with any disposition for and purchase any of the Property, and by such purchase acquire all right, title and interest therein; (g) Seller may, for and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such such purchaser; and (h) Seller may in its own name or in the name of and on behalf of and all actions required to cure any such Event of Default, and all sums expended by Seller in such case shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of retaking, holding, preparing for sale or lease and the like, and the reasonable attorney's fees and legal expenses and costs if Seller is enforcing or exercising any of its rights or remedies under this Agreement, shall be applied to the obligations of Buyer secured under this Agreement in such order as may be appropriate by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance hereon and demands and notices of any description.

10. **Financing Statements.** Fixture filings and further assurances. Buyer hereby authorizes execute and the financing statements notated records, and fixture filings at any time with respect to the Property, in such case without Buyer's signature to the extent permitted by Seller's request. Buyer shall execute one or more financing statements, fixture filings, or statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Buyer shall take any and all steps required by Seller to maintain perfection of the security granted hereunder, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. **Assignment to Amada Capital Corporation.** Unless otherwise agreed by the parties Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to ACC. Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which have against Seller, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, duties under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. **Order of application of Buyer payments** is at the discretion of Seller. Seller may at its apply and all of a Buyer's payment to any outstanding balances owing by Seller included limited to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this shall be in writing and shall be deemed effective upon delivery if delivered personally or if after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of any hereof or of any right or remedy hereunder shall be effective unless in writing and signed by to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any right remedy granted hereunder shall operate as a waiver of any such right, power or remedy. Any right or remedy by Seller on any occasion shall not be construed as a bar to or wa right or remedy on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or prejudice the exercise of any other remedy.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this Agreement will be subject to the laws of the State of California and the parties hereto agree matters being adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration of judicial action or proceeding is initiated by to any matters relating to this Agreement or in the event either party seeks relief from the court of the U.S.C. Section 362 (or any successor statute thereof), then the party in whose favor any award shall be given or any relief shall be granted or judgment shall be entered shall be recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.

6. **Severability.** In the event any provision or portion of any provision of this Agreement shall be found by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions thereof shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the subject matter are expressly superseded and canceled by this Agreement.

8. **Time is of the Essence.** Except as to the provisions of this Agreement relating to ship and shipping, time is of the essence with respect to each of the terms, conditions, and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding shall have to the benefit of the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience or not part of this Agreement.



7025 Firestone Blvd., Buena Park, CA 92621

FILE NUMBER 1290-CB2

EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement, including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER									
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC					BUYER'S TRADE NAME OR STYLE				
<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER					ORGANIZED UNDER THE LAWS OF THE STATE OF IL		AMADA CUSTOMER NUMBER 29897		
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX	CITY BATAVIA	COUNTY	STATE IL	ZIP CODE 60510	TELEPHONE (630) 406-77
B. INSTALLATION SITE									
COMPANY NAME SAME AS "A"					BRANCH / DIVISION				
STREET ADDRESS					CITY	COUNTY	STATE	ZIP CODE	TELEPHONE ()
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOR SHIPPING POINT			AMADA CUSTOMER NUMBER		CONTACT JOHN MAZUREK		
C. BILLING INFORMATION									
BILLING ADDRESS 11005 PINEHIGH DR.				P.O. BOX	CITY ALPHARETTA	COUNTY	STATE GA	ZIP CODE 30022	TELEPHONE (678) 642-74
BILLING INSTRUCTIONS				AMADA CUSTOMER NUMBER 29897-1		CONTACT DICK CLARK			
D. FOR SELLER'S REFERENCE ONLY									
REGION NO. 72	DIVISION NO. 011	SALESMAN NO. 922	SALESMAN NAME JOHN WOODRUFF			CUSTOMER P.O. NO. PAM6300601		P.O. DATE 06/3	
E. PAYMENT TERMS									
<input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60) <input type="checkbox"/> OTHER 9.7									
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$11,291.87			C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 5-15-07			D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)	
If this Agreement is for an installment sale, Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION, Dept. LA22096, Pasadena, California 91185-2096									
F. DESCRIPTION OF PROPERTY									
A. MACHINE MODEL NO. HDS1030NTR		B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA ROBOTIC PRESS BRAKE			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)						QTY.	CASH PRICE		
TOOLING PACKAGE (\$70,000)							\$63,000.00		
TOTAL TO 4B							\$63,000.00		
F. DESCRIBE TRADE-IN						H. VALUE OF TRADE-IN			
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I.						J. CREDIT FOR TRADE-IN (4I)			
BUYER'S INSURANCE COMPANY FRANKENMUTH MUTUAL						POLICY NO. 31174874			
BUYER'S INSURANCE AGENCY WEISS INS.						NAME OF AGENT JOHN PARNI			
INSURANCE AGENCY'S ADDRESS 31 W 680 ARMY TRAIL RD						P.O. BOX			
CITY WAYNE		STATE IL		ZIP CODE 60184		TELEPHONE 630 384-1717			
NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.									
ITEM 4 (K)									
A. CASH PURCHASE PRICE FOR M.						\$605,000			
B. CASH PURCHASE PRICE FOR TOOLING						\$63,000			
C.									
D. TOTAL CASH PURCHASE PRICE (C + B)						\$668,000			
E. SALES TAX (RATE + %)						1			
F.									
G.									
H. SUBTOTAL (D + E + F + G)						\$668,000			
I. LESS CREDIT FOR TRADE-IN FROM						<			
J. LESS CASH DOWN PAYMENT						<			
K. SUBTOTAL (H - I - J) (CASH BAL)						\$534,400			
L. TIME PRICE DIFFERENTIAL (M - K)						\$143,112			
M. TIME BALANCE (K + L)						\$677,512			

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES IN SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPRESENTATION OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE)	BY	TITLE PRESIDENT	DATE 7/2
AMADA AMERICA, INC. ("SELLER")		TITLE	DATE

A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unsold Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. Taxes. The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for loading and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. Shipping Instructions. Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of this Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. Shipment. Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. Title, Risk of Loss and Insurance: Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

6. **Unloading.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority. Notwithstanding, however, that in the event of any such failure to meet such codes or standards, Seller is not obligated to replace or repair the Property. Buyer shall be responsible for obtaining all necessary permits or approvals for the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to make such modifications is expected to exceed thirty (30) days. If the time required to make any such necessary permits or approvals is expected to exceed the 30-day period, then Seller shall, upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable costs), cancel this Agreement in whole or in part without further liability to Seller. If Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property, then Seller may, at its option, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

TO: Warranty and Limitation of Liability EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN EVENT SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. Trade-In. Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a claim on or other legal right in the trade-in, Seller agrees to defend, indemnify and hold Buyer harmless from any and all costs, damages and expenses, including reasonable attorneys' fees, that Buyer may incur in connection with such claim. Buyer's premises used for the trade-in shall be the premises of Seller, and Buyer will not, and Seller will not, use the trade-in for any purpose other than the trade-in contemplated herein, and Seller shall hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

Force Majeure. In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, or other causes beyond Seller's control, Seller's obligations hereunder shall be suspended, without penalty, for as long a period as may be necessary to enable Seller to complete performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. Seller's obligations hereunder shall not be terminated by reason of delay caused by any party may terminate its obligations hereunder by so notifying the other party in writing.

13. Termination. Upon the occurrence of an Event of Default (as defined in Section 2.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15 Condition Precedent to Seller's Obligations. On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefits under a bailment revocable at will by Seller.

16. Financing. Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

B. Security Interest

1. Grant of Security Interest. In secure payment of this purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessories, fixtures and replacements or modifications thereto, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Code. In addition, the security interest granted hereby shall secure the full and complete performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to the C/D sales of Property by Seller which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. Information Regarding Buyer. Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

[illegible]

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and requiring the insurer to give Seller not less than thirty (30) days prior written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of SE replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed, to the payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller attorney-in-fact, with appointment is coupled with an interest, to make claims for, receive and execute and endorse all documents, checks, or drafts received in payment of any loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, have the right, but shall not be obligated, to obtain and maintain such insurance, and to reimburse Seller for the cost thereof.

5. Covenants Regarding Location of Property. Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property without the written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE AND LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

8. **Default.** The occurrence of any of the following shall constitute an Event of Default: (a) by Buyer is the payment, when due or payable of the purchase price of the Property or any interest or interest thereon; (b) any breach of Buyer of any representation, warranty, or covenant made by Buyer in this Agreement; (c) the failure of Buyer to pay to Seller, by Buyer and Seller or acting by operation of law or otherwise, which breach is not cured by (90) day following notice thereof by Seller to Buyer; (d) the issuance or entry of any judgment or order of a court of competent jurisdiction against Buyer; (e) the filing of any notice of bank sale or intended bank sale by Buyer; (f) the filing of a petition by or creditors or liquidating agents, the offering of a composition or extension to creditors, the assignment for the benefit of creditors or the commencement of any proceeding, suit or action, or the declaration of bankruptcy or insolvency of Buyer or any of its subsidiaries, debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to insolvency of Buyer, the suspension, termination, discharge or unenforceability of any obligation of Buyer with respect to any of the obligations secured hereby; or (g) any action, suit or proceeding, or the filing of a petition by or creditors of Buyer which in the good faith judgment of Seller impairs Seller's security or increases its risk.

2. Remedies on Default. Upon the occurrence of an Event of Default, or at any time thereafter, Buyer shall have the right to elect to exercise any one or more of the following remedies. In the event of a Default shall be continuing, in addition to any other rights or remedies Seller may have, Seller may have any or all of the following rights and remedies: (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as in effect in any jurisdiction where enforcement is sought; (b) Seller may, at its option, accelerate and declare all amounts due hereunder immediately due and payable; (c) Seller shall have the right to take immediate and exclusive possession of any and all of the Property, wherever located, hereinafter to be delivered to Buyer and for the purpose Seller may, with or without judicial process, without prior notice, enter peacefully upon the premises where such Property may be situated, remove the Property from such locality for disposition or proceed to liquidate or otherwise dispose of the Property; (d) Seller may, at its option, lease or otherwise dispose of the Property and make it available to Seller at any mutually convenient location reasonably to Seller; (e) Seller may, in its sole discretion, any time and from time to time, but only after giving Seller at least ten (10) days prior written notice of its intention to dispose of the Property, have the Property sold, transferred, assigned, disposed of or otherwise disposed of by Seller may consider appropriate, or sell, resell, transfer, assign, dispose of and deliver the Property, in one or more parcels, at the same or different times, and at right, title as therein, at public or private sale, for cash, upon credit or for future delivery; and at such price, terms and conditions as Seller may in its sole discretion deem appropriate for the sale of the Property, and by such purchase acquire all right, title and interest therein for Seller, may to for and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of right, title and interest in and to such property, and may execute any and all documents and take any and all actions required to cure any such Event of Default, and all sums expended by Seller in such cure shall be secured hereby.

8. Application of Proceeds. The net proceeds realized upon any liquidation or disposition of the file, and the reasonable attorney's fees and legal expenses and costs of the Seller in enforcing or exercising any of its rights under this Agreement, shall be satisfaction of the obligations of Buyer secured under this Agreement in such order as may be appropriate by Seller. Any surplus of such proceeds shall be paid to the person or persons entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to amount of any deficiency.

9. Buyer's Waiver. Except as to the notice of intention to dispose of Property provided Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives demand, protest, notice of acceptance of this Agreement or other action taken in reliance upon its demands and notices of any description.

10. Financing Statements, Future filings and further assurances. Buyer hereby authorizes execute and file financing statements and perfected records, and future filings at any time up to any of the Property, in each case without Buyer's signature to the extent permitted by Seller's request. Buyer shall execute one or more financing statements, future filings, or statements or other filings pursuant to the Uniform Commercial Code, in form satisfactory to Seller, and shall take any and all steps required by Seller to maintain perfection of the security granted hereunder, or to fully assure to Seller its rights under this Agreement.

C. Assignment

1. Assignment to Ajijada Capital Corporation. Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part. Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which I have against Seller, and Buyer hereby expressly agrees not to assert any such claims, defenses or offsets against ACC.

2. Assignment by Buyer. Buyer may not assign, delegate or transfer any of its rights, duties under this Agreement to any third party without the prior written consent of Seller.

D. Miscellaneous

1. The order of application of Buyer payments is at the discretion of Seller. Seller may at its apply and all of a Buyer's payment to any outstanding balances owing by Seller including limited to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally or if, after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. Waiver, Amendment or Modification. No waiver, amendment or modification of any hereof or of any right or remedy hereunder shall be effective unless in writing and signed by or for the Seller. No failure by Seller to exercise, and no delay by Seller in exercising, any right or remedy hereunder shall constitute a waiver of any such right, remedy or remedy. No right or remedy by Seller on any one occasion shall be construed as a bar to or waiver of any right or remedy on any other occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or prejudice the exercise of any other remedy.

4. Court Jurisdiction. Any controversy, claim, action or dispute arising out of or relating to this agreement will be subject to the laws of the State of California and the parties hereto agree that any and all matters being adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated by or on matters relating to this Agreement or in the event either party seeks relief from the auto of 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor any award shall be given or any relief shall be granted or judgment shall be entered shall be recover from the other party all costs and expenses (including attorneys' fees) incurred in such proceeding and any appeal therefrom.

6. Severability. In the event any provision or portion of any provision of this Agreement shall be held by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions thereof shall remain in full force and effect.

7. Entire Agreement. Notwithstanding any purchase order submitted by Buyer whether on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all written agreements or understandings heretofore existing between the parties pertaining to the subject hereof are expressly superseded and canceled by this Agreement.

9. Time is of the Essence. Except as to the provisions of this Agreement relating to ship and shipping delays, time is of the essence with respect to each of the terms, conditions, and covenants of this Agreement.

9. Binding Effect. Subject to Part C of this Agreement, this Agreement shall be binding shall inure to the benefit of the parties and their legal representatives, successors and assigns.

10. Headings. Headings contained in this Agreement are for purposes of convenience and not part of this Agreement.

RECEIVED
SECRETARY OF STATE
UNIFORM COMM CODE DIV.EXHIBIT
GROUP
H

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY.

2008 MAR 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621UCU107/27/06:05:4450:
20.00 MD

SOSIL 14:11 11190731 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

1050 KINGSLAND DRIVE

BATAVIA

IL

60510

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

7025 FIRESTONE BLVD

BUENA PARK

CA

90621

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA TOOL GRINDER, MODEL TOGU11, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

RECEIVED
SECRETARY OF STATE
UNIFORM COMM CODE DIV.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2008 MAR 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621

UCU107/27/08:05:4453:

20.00 NO
5091L 14:11 11190774 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

1050 KINGSLAND DRIVE

CITY

BATAVIA

STATE

IL

POSTAL CODE

60510

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

☐ NONE2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

7025 FIRESTONE BLVD

CITY

BUENA PARK

STATE

CA

POSTAL CODE

90621

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA SPOT WELDER, MODEL ID40ST, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

SECRETARY OF STATE
UNIFORM COMM CODE DIV.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2008 JUL 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621UCU197/27/08:05:4455:
SOSIC 14:11 11190790 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

1050 KINGSLAND DRIVE

BATAVIA

IL

60510

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

7025 FIRESTONE BLVD

BUENA PARK

CA

90621

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA SOFTWARE PACKAGE COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ THIS FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. ☐ 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional). ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/07)

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2006 JUL 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621

UCC107/27/06:05:4452:

20.00 PD
SOSIL 14:11 11190766 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

1050 KINGSLAND DRIVE

CITY

BATAVIA

STATE

POSTAL CODE

IL

60510

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

☐ NONE2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

7025 FIRESTONE BLVD

CITY

BUENA PARK

STATE

POSTAL CODE

CA

90621

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA INSPECTION MACHINE, MODEL FABRIVISION, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AC. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional). ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC-1) (REV. 05/22/02)

RECEIVED
SECRETARY OF STATE
UNIFORM COMMERCIAL CODE DIV.

JUL 27 PM 4:30

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621UCU107/27/06:05:4451:
20.00 MO
SOSIL 14:11 11190758 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

1050 KINGSLAND DRIVE

CITY

BATAVIA

STATE

POSTAL CODE

IL

60510

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

7025 FIRESTONE BLVD

CITY

BUENA PARK

STATE

POSTAL CODE

CA

90621

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA MANIPULATOR SYSTEM, MODEL MP1225N1, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. ☐ Check to REQUEST SEARCH REPORT(S) on Debtor(s). (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

RECEIVED
SECRETARY OF STATE
UNIFORM COMMERCIAL CODE DIV.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2008 MAR 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621

UCU107/27/08:05:4449:

20:00 RD
505IL 14:10 11180729 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

1050 KINGSLAND DRIVE

BATAVIA

IL

60510

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

7025 FIRESTONE BLVD

BUENA PARK

CA

90621

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA TURRET PUNCH PRESS, MODEL BM2510NT, WITH TOOLING PACKAGE, SCRAP CONVEYOR, COMPLETE WITH ALL
ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS
FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. ☐ (if applicable) 7. (Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

SECRETARY OF STATE
UNIFORM COMMERCIAL CODE DIV.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2006 MAR 27 PM 4:30

A. NAME & PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION
7025 FIRESTONE BLVD
BUENA PARK, CA 90621

UCU107/27/06:05:4454:

20.00 MO

SOSIL 14:11 11190782 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

1050 KINGSLAND DRIVE

CITY

BATAVIA

STATE

IL

POSTAL CODE

60510

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

IL

1g. ORGANIZATIONAL ID #, if any

01876643

NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

7025 FIRESTONE BLVD

CITY

BUENA PARK

STATE

CA

POSTAL CODE

90621

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA ROBOTIC PRESS BRAKE, MODEL HDS1030NTR, WITH TOOLING PACKAGE, COMPLETE WITH ALL ATTACHMENTS NOW OWNED
OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS
FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEY/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. ☐ 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Precision American Metals, LLC
Payment History

SUMMARY									
Model Type	14741	14546	14738	14550	14742	14740	14741	Total	
Contract No.	CB000003	CB000004	CB000001	CB000002	CB000005	CB000006	CB000007		
Serial No.	99520200	40800298	-	6065523	A1225239	25100720	1300124		
Book Date	8/31/2006	8/31/2006	4/5/2007	4/5/2007	4/5/2007	4/5/2007	4/5/2007		
1st Pmt	10/1/2006	10/1/2006	5/15/2007	5/15/2007	5/15/2007	5/15/2007	5/15/2007		
Am't Fric'd	17,280.00	25,600.00	71,904.00	53,600.00	96,800.00	304,656.00	534,400.00	1,104,240.00	
Term (mths)	60	60	60	60	60	60	60		
Mthly Pmt	365.13	540.93	1519.33	1,132.57	2,045.38	6,437.38	11,291.87	23,332.59	
Mthly L/C	18.26	27.05	75.97	56.63	102.27	321.87	564.59	1,166.63	
Interest Rate	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%		
Int Factor	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500		
Delay	0	0	0	0	0	0	0		
Pmts Made	0	0	0	0	0	0	0		
Pmts Remain	60	60	60	60	60	60	60		
Pmts Delq	6	6	2	2	2	2	2		
L/C @ RPR	109.56	162.30	0.00	0.00	0.00	0.00	0.00	271.86	
% Pmt to Tot									

NOTE: Contracts Repurchased by Amada America, Inc. 3/31/2007

PAYMENT RECORD												
TOGULLI - Tool Grinder				ID40ST - Spotwelder				APS		FABRIVISION		
CB000003				CB000004				CB000001		CB000002		
	Pmtc	Int	Pmt	Pmtc	Int	Pmt	Pmtc	Int	Pmt	Pmtc	Int	Pmt
Sep-06	17,280.00			25,600.00								
Oct-06	17,420.40	140.40	0.00	25,808.00	208.00	0.00						
Nov-06	17,561.94	141.54	0.00	26,017.69	209.69	0.00						
Dec-06	17,704.63	142.69	0.00	26,229.08	211.39	0.00						
Jan-07	17,848.48	143.85	0.00	26,442.20	213.11	0.00						
Feb-07	17,993.50	145.02	0.00	26,657.04	214.84	0.00						
Mar-07	18,139.70	146.20	0.00	26,873.63	216.59	0.00						
Apr-07	18,287.08	147.39	0.00	27,091.97	218.35	0.00						
May-07	18,435.67	148.58	0.00	27,312.10	220.12	0.00						
Jun-07	18,585.46	149.79	0.00	27,534.01	221.91	0.00						
Jul-07	18,736.46	151.01	0.00	27,757.72	223.71	0.00						
Aug-07	18,888.70	152.23	0.00	27,983.25	225.53	0.00						
Sep-07	19,042.17	153.47	0.00	28,210.62	227.36	0.00						
Oct-07	19,196.88	154.72	0.00	28,439.83	229.21	0.00						
Nov-07	19,352.86	155.97	0.00	28,670.90	231.07	0.00						

MP1225N1			EM2510N1			HDS1030N1R		
CB00003			CB00004			CB00003		
Prnc	Int	Pmt	Prnc	Int	Pmt	Prnc	Int	Pmt
Mar-07								
Apr-07	96,800.00		304,656.00			534,400.00		
May-07	97,586.50	0.00	307,131.33	2,475.33	0.00	538,742.00	4,342.00	0.00
Jun-07	98,379.39	0.00	309,626.77	2,495.44	0.00	543,119.28	4,377.28	0.00
Jul-07	99,178.72	0.00	312,142.49	2,515.72	0.00	547,532.12	4,412.84	0.00
Aug-07	99,984.55	0.00	314,678.65	2,536.16	0.00	551,980.82	4,448.70	0.00
Sep-07	100,796.92	0.00	317,235.41	2,556.76	0.00	556,465.67	4,484.84	0.00
Oct-07	101,615.90	0.00	319,812.95	2,577.54	0.00	560,986.95	4,521.28	0.00
Nov-07	102,441.53	0.00	322,411.43	2,598.48	0.00	565,544.97	4,558.02	0.00

SUMMARY/TOTAL						Gross Due	
						Prnc & L/C	
	Prnc	Interest	Payment	Late/Charge	Aggregate L/C	Prnc & L/C	Amount Due
Sep-06	42,880.00					42,880.00	
Oct-06	43,228.40	348.40	0.00	45.30	45.30	43,273.70	
Nov-06	43,579.63	351.23	0.00	45.30	90.60	43,670.23	
Dec-06	43,933.72	354.08	0.00	45.30	135.90	44,069.62	
Jan-07	44,290.68	356.96	0.00	45.30	181.20	44,471.88	
Feb-07	44,650.54	359.86	0.00	45.30	226.50	44,877.04	
Mar-07	45,013.32	362.79	0.00	45.30	271.80	45,285.12	
Apr-07	1,106,739.06	365.73	0.00	45.30	317.10	1,107,056.16	
May-07	1,115,731.31	8,992.25	0.00	1,166.63	1,483.73	1,117,215.04	
Jun-07	1,124,796.63	9,065.32	0.00	1,166.63	2,650.36	1,127,446.99	
Jul-07	1,133,935.60	9,138.97	0.00	1,166.63	3,816.99	1,137,752.59	
Aug-07	1,143,148.83	9,213.23	0.00	1,166.63	4,983.62	1,148,132.45	
Sep-07	1,152,436.91	9,288.08	0.00	1,166.63	6,150.25	1,158,587.16	
Oct-07	1,161,800.46	9,363.55	0.00	1,166.63	7,316.88	1,169,117.34	
Nov-07	1,171,240.09	9,439.63	0.00	1,166.63	8,483.51	1,179,723.60	

MATTHEW P. CONNELLY

CONNELLY ROBERTS & MCGIVNEY LLC

July 20, 2007

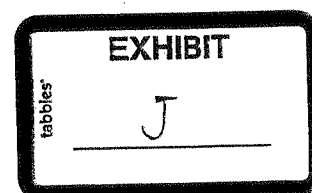
John Mazurek, President
Precision American Metals, LLC
1050 Kingsland Dr.
Batavia, Illinois 60510

**Re: Amada America, Inc. Agreements in Default:
Payment Necessary to Avoid Proceedings**

Dear Mr. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. The agreements are as follows:

- a. Agreement Number 14744, to purchase a ToguIII Tool Grinder from Amada for the purchase price of \$21,600.00. There is a present outstanding amount of \$18,919.06 on this Agreement.
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. There is a present outstanding amount of \$28,028.22 on this Agreement.
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. There is a present outstanding amount of \$73,898.85 on this Agreement.
- d. Agreement Number 14550, to purchase a Fabrivation Inspection Machine from Amada for the purchase price of \$64,700.00. There is a present outstanding amount of \$55,087.03 on this Agreement.
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.



- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

Although you agreed to remit monthly payments beginning on October 1, 2006 for Agreements number 14744 and 14546, and on May 15, 2007 for Agreements number 14738, 14550, 14742, 14740 and 14741, no payment has yet been received on any of these Agreements. As such, Amada has exercised its right under Section B, Paragraph 7(b) of the Agreements and has accelerated all amounts owed by Precision, making the entire amount owed under each agreement due immediately.

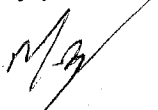
Further, please note that Amada reserves its right under Section B, Paragraph 7(c) of the Agreements to take immediate possession of all Property that is the subject of any of the Agreements, namely, the ToguIII Tool Grinder; the Spot Welder, model number ID40ST; the APS software package; the Fabrivation Inspection Machine; the Manipulator System, model number MP1225NJ; the Turret Punch Press with Tooling Package and Scrap Conveyor, model number EM2510NT; and the Robotic Press Brake with Tooling Package, model number HDS1020NTR.

Pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe will continue to increase exponentially.

Your original principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount you owe Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of the entire amount you currently owe to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,



Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrli

b.c.c.: Timothy Eavenson

AMADA AMERICA, INC., 7025 Firestone Blvd., Buena Park, CA 90621

EQUIPMENT PURCHASE AND SECURITY AGREEMENT
(SUPPLEMENTAL DOCUMENTS)

BUYER'S NAME

Precision American Metals, LLC

AMADA AMERICA, INC. CUSTOMER NUMBER

29897

UNCONDITIONAL CONTINUING GUARANTY

FOR VALUABLE CONSIDERATION RECEIVED, and to induce AMADA AMERICA, INC. ("Seller") to enter into an Equipment Purchase and Security Agreement ("Agreement"), other agreements and instruments, and any amendments thereto, with Buyer and to perform the obligations thereunder in connection with the sale of certain equipment and other personal property to Buyer on an installment payment basis, the undersigned (whether there be one or more than one, "Guarantors") agrees as follows:

- Guarantors unconditionally guaranty and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due. Where Guarantors include more than one party their liability hereunder shall be joint and several. The word "indebtedness" includes without limitation any advance, debt, obligation or liability of Buyer to Seller, whether heretofore or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether recovery upon such indebtedness may be or hereafter become barred by any statute of limitations, and whether such indebtedness may be or hereafter become unenforceable. Without limiting the generality of the foregoing, the indebtedness guaranteed hereunder includes all indebtedness of Buyer to Seller arising out of any equipment purchase, installment sale, security or other agreement relating to the purchase of the Property by Buyer, including without limitation late charges, interest at the highest rate permitted by law, reasonable expense of retaking, holding, preparing for sale, and selling the Property, and deficiency or balance remaining after any sale or other disposition of the Property by Seller after default by Buyer, and all other reasonable expenses and costs incurred by Seller, including attorney's fees.
- Guarantors authorize Seller, without notice or demand and without affecting the liability of Guarantors hereunder, from time to time to (a) renew, compromise, extend, accelerate or otherwise change the time for payment or change the terms of Buyer's indebtedness to Seller or any part thereof; (b) take and hold security for the payment of this Unconditional Continuing Guaranty or the indebtedness guaranteed hereunder, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Seller in its sole discretion may determine; and (d) release or substitute any one or more Guarantors. Seller may without notice assign this Unconditional Continuing Guaranty, in whole or in part, in which case this Unconditional Continuing Guaranty shall inure to the benefit of Seller's assigns and successors in interest.
- Guarantors waive any right to require Seller to (a) proceed against Buyer or any other party; (b) proceed against or exhaust any security of Buyer held by Seller or any other party; or (c) pursue any other remedy in Seller's power whatsoever. Guarantors waive to the fullest extent permitted by law any defense arising by reason of any disability or other defense of Buyer, or by reason of the cessation for any cause in whatsoever of the liability of Buyer. Until all indebtedness of Buyer to Seller shall have been paid in full, Guarantors shall have no right of subrogation and waive any right to enforce any remedy which Seller now has or may hereafter have against Buyer, and waive any benefit of, and any right to participate in, any security now or hereafter held by Seller. Guarantors waive all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of, and notices of the existence, creation or incurring of new or additional indebtedness under this Unconditional Continuing Guaranty.
- Any indebtedness of Buyer now or hereafter held by Guarantors is hereby subordinated to the indebtedness of Buyer to Seller. Such indebtedness of Buyer to Guarantors, if Seller so requests, shall be collected, enforced and received by Guarantors as trustees for Seller and be paid over to Seller on account of the indebtedness of Buyer to Seller without reducing or affecting in any manner the liability of Guarantors under the other provisions of this Unconditional Continuing Guaranty.
- If any of Guarantors is a corporation or partnership, it represents and warrants that the execution of this Unconditional Continuing Guaranty has been authorized by all necessary corporate or partnership action.
- Guarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Seller in the enforcement of this Unconditional Continuing Guaranty. This Unconditional Continuing Guaranty shall be binding upon the heirs, executor, administrators and assigns of Guarantors. Any amounts due hereunder not paid when due shall accrue interest at the highest rate permitted by law.

7. This Unconditional Continuing Guaranty shall be governed by and construed under the laws of the State of California. Guarantors consent to the non-exclusive jurisdiction of the state and federal courts located in Los Angeles, California and agree that Seller may maintain an action in any such court to collect any amounts payable by Guarantors to Seller hereunder.

IN WITNESS WHEREOF, the undersigned Guarantors have executed this Unconditional Continuing Guaranty

X at 1050 Kingsland Dr., as of July 20, 2006

A. INDIVIDUAL GUARANTORS

X SIGNATURE [Signature]
X PRINT NAME JOHN M. MAZUREK

X HOME ADDRESS 7N295 WHISPERING TRAIL RD
ST. CHARLES, IL 60175

X SIGNATURE [Signature]
X PRINT NAME ANGELA F. MAZUREK

X HOME ADDRESS 7N295 WHISPERING TRAIL RD
ST. CHARLES, IL 60175

B. PARTNERSHIP GUARANTORS

NAME OF PARTNERSHIP

GENERAL PARTNER'S SIGNATURE

PRINT NAME

C. CORPORATE GUARANTORS

NAME OF CORPORATION

SIGNATURE

PRINT NAME AND TITLE

EXHIBIT

K

ATTACH ADDITIONAL SHEETS IF NECESSARY

CORPORATE AND PARTNERSHIP GUARANTORS MUST COMPLETE THE CERTIFICATE OF RESOLUTION OR THE CERTIFICATE OF AUTHORIZATION, AS APPROPRIATE.

MATTHEW P. CONNELLY

CONNELLY ROBERTS & MCGIVNEY LLC

July 20, 2007

John Mazurek, Guarantor
7N295 Whispering Trail Road
St. Charles, Illinois 60175

**Re: Amada America, Inc. Agreements in Default:
Payment Necessary to Avoid Proceedings**

Dear Mr. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. As Guarantor of these agreements, you are responsible for their repayment. The agreements are as follows:

- a. Agreement Number 14744, to purchase a ToguIII Tool Grinder from Amada for the purchase price of \$21,600.00. There is a present outstanding amount of \$18,919.06 on this Agreement.
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. There is a present outstanding amount of \$28,028.22 on this Agreement.
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. There is a present outstanding amount of \$73,898.85 on this Agreement.
- d. Agreement Number 14550, to purchase a Fabrivation Inspection Machine from Amada for the purchase price of \$64,700.00. There is a present outstanding amount of \$55,087.03 on this Agreement.
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

EXHIBIT

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Although Precision agreed to remit monthly payments beginning on October 1, 2006 for Agreements number 14744 and 14546, and on May 15, 2007 for Agreements number 14738, 14550, 14742, 14740 and 14741, no payment has yet been received on any of these Agreements. As such, Amada has exercised its right under Section B, Paragraph 7(b) of the Agreements and has accelerated all amounts owed by Precision, making the entire amount owed under each agreement due immediately.

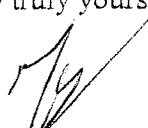
Pursuant to the Unconditional Continuing Guaranty you signed, you individually and personally promised to pay Amada, on demand, any of Precision's indebtedness to Amada not paid when due. Amada hereby demands that you pay the full amount owed to it by Precision immediately.

Please note, pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe as Guarantor will continue to increase exponentially.

Precision's original, principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount Precision owes Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of this entire amount currently owed to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,



Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrli

b.c.c.: Timothy Eavenson

MATTHEW P. CONNELLY

CONNELLY ROBERTS & MCGIVNEY LLC

July 20, 2007

Pamela Mazurek, Guarantor
7N295 Whispering Trail Road
St. Charles, Illinois 60175

**Re: Amada America, Inc. Agreements in Default:
Payment Necessary to Avoid Proceedings**

Dear Mrs. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. As Guarantor of these agreements, you are responsible for their repayment. The agreements are as follows:

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- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. There is a present outstanding amount of \$73,898.85 on this Agreement.
- d. Agreement Number 14550, to purchase a Fabrivation Inspection Machine from Amada for the purchase price of \$64,700.00. There is a present outstanding amount of \$55,087.03 on this Agreement.
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

EXHIBIT

M

Although Precision agreed to remit monthly payments beginning on October 1, 2006 for Agreements number 14744 and 14546, and on May 15, 2007 for Agreements number 14738, 14550, 14742, 14740 and 14741, no payment has yet been received on any of these Agreements. As such, Amada has exercised its right under Section B, Paragraph 7(b) of the Agreements and has accelerated all amounts owed by Precision, making the entire amount owed under each agreement due immediately.

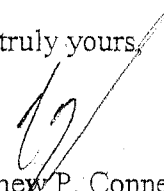
Pursuant to the Unconditional Continuing Guaranty you signed, you individually and personally promised to pay Amada, on demand, any of Precision's indebtedness to Amada not paid when due. Amada hereby demands that you pay the full amount owed to it by Precision immediately.

Please note, pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe as Guarantor will continue to increase exponentially.

Precision's original, principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount Precision owes Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of this entire amount currently owed to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,



Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrli

b.c.c.: Timothy Eavenson

The civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

JUL 24 2007

(a) PLAINTIFFS

AMADA AMERICA, INC.

(b) County of Residence of First Listed Plaintiff Orange County, California
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Matthew Connelly, Connelly Roberts & McGivney, LLC
55 W. Monroe St., Suite 1700, Chicago, Illinois, 60603
312/251-9600

DEFENDANTS

PRECISION AMERICAN METALS, LLC, and Precision Corporation,
JOHN M. MAZUREK, and JAMES F. MAZUREK, individually

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

MAGISTRATE JUDGE KEYS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State PTF ☐ 1 DEF ☒ 1 Incorporated or Principal Place of Business In This State PTF ☐ 4 DEF ☒ 4
- Citizen of Another State ☐ 2 ☐ 2 Incorporated and Principal Place of Business In Another State ☒ 5 ☐ 5
- Citizen or Subject of a Foreign Country ☐ 3 ☐ 3 Foreign Nation ☐ 6 ☐ 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (excl. vet.) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Inj.	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury—Med. Malpractice <input type="checkbox"/> 365 Personal Injury—Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Satellite TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Security/Commodity/Exch. 12 USC 3410 <input type="checkbox"/> 875 Customer Challenge <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 ADA—Employment <input type="checkbox"/> 446 ADA—Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 890 Other Statutory Actions

V. ORIGIN (PLACE AN "X" IN ONE BOX ONLY)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION (Enter U.S. Civil Statute under which you are filing and write a brief statement of cause.)

Breach of contract action based on Defendants' failure to pay for goods delivered and accepted.

VII. PREVIOUS BANKRUPTCY MATTERS (For nature of suit 422 and 423, enter the case number and judge for any associated bankruptcy matter previously adjudicated by a judge of this Court. Use a separate attachment if necessary)

VIII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☐ No

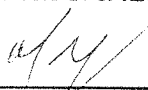
IX. This case

☒ is not a refiling of a previously dismissed action.

☐ is a refiling of case number _____, previously dismissed by Judge _____

DATE

SIGNATURE OF ATTORNEY OF RECORD



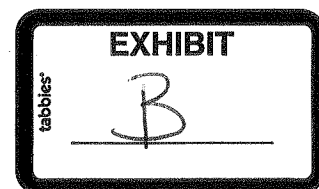
JUDGE NORGLÉ
MAGISTRATE JUDGE SCHENKIER

Settlement Agreement and Release

This Settlement Agreement and Release (the "Settlement Agreement") is made and entered into as of the 5th day of December, 2007 (the "Effective Date"), by and between Amada America, Inc., a California Corporation ("Amada"), Precision American Metals, LLC, an Illinois limited liability Corporation ("Precision") and John M. Mazurek and Pamela F. Mazurek, individually (the "Mazurek's"). Collectively, Precision and the Mazurek's are referred to as the "Defendants". Amada, Precision and the Mazurek's are jointly referred to as the "Parties".

Parties and Recitals:

1. Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd. in the city of Buena Park, California.
2. Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Dr., in the village of Batavia, Kane County, Illinois.
3. The Mazurek's are residents of the village of St. Charles, Kane County, Illinois and are principals of Precision.
4. In July of 2006, Precision executed seven separate Equipment Purchase and Security Agreements (the "Purchase Agreements"), for the purpose of procuring a number of specialized machines from Amada. The Purchase Agreements were numbered as follows:
 - a. Agreement Number 14744, to purchase a Tool Grinder from Amada for the total cash purchase price of \$21,600.00;
 - b. Agreement Number 14546, to purchase a Spot Welder from Amada for the total cash purchase price of \$32,000.00;
 - c. Agreement Number 14738, to purchase a Software Package from Amada for the total cash purchase price of \$89,880.00;
 - d. Agreement Number 14550, to purchase an Inspection Machine from Amada for the total cash purchase price of \$66,500.00;
 - e. Agreement Number 14742, to purchase a Manipulator System from Amada for the total cash purchase price of \$121,000.00;
 - f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the total cash purchase price of \$380,820.00;



g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total cash purchase price of \$668,000.00.

5. The total value of the Purchase Agreements, less cash down payments and plus interest accrued thereon, is \$1,399,955.20.

6. The Mazurek's individually executed a document entitled "Unconditional Continuing Guaranty". That Guaranty provides, in pertinent part, that the Mazurek's individually guaranty and promise to pay to Amada, on demand, any indebtedness of Precision.

7. None of the Purchase Agreements have been paid by Precision, or the Mazurek's. Amada has performed its obligations, in their entirety, under the terms of the Purchase Agreements.

8. As a result of Precision and the Mazurek's failure to tender payment under the Purchase Agreements, a dispute has arisen between Amada, Precision and the Mazurek's. Amada initiated a suit in the United States District Court for the Northern District of Illinois, Eastern Division, captioned *Amada America, Inc., v. Precision American Metals, LLC and John M. Mazurek and Pamela F. Mazurek*, Case no. 07 C 4177 (the "Lawsuit"). The Lawsuit seeks damages for the Defendants' failure to tender payment under the Purchase Agreements, as well prejudgment interest, costs and attorneys' fees. The claims of Amada in the Lawsuit are more fully detailed and defined within its Complaint, which is attached as Exhibit A. The Purchase Agreements and the Mazureks' executed "Unconditional Continuing Guaranty" documents are also attached as exhibits to the Complaint.

Settlement Agreement:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

9. Amada agrees to accept the sum of \$1,469,952.96 (the "Settlement Payment") in full satisfaction of all amounts which Amada claims to be owed to it by Defendants for the goods sold to them as alleged in the Lawsuit. This amount includes the current value of the Purchase Agreements plus prejudgment interest at the rate of 5%. Defendants shall be jointly and severally liable for the full satisfaction of the Settlement Payment.

10. The Settlement Payment shall be payable as follows:

- a. On November 28, 2007 Defendants tendered to Amada payment in the amount of \$39,820.34 (the "First Installment"). Amada acknowledges receipt of the First Installment;

- b. The remaining amount due under this Settlement Agreement, or \$1,430,132.62 shall be paid in monthly installments of \$23,835.54 (the "Monthly Installments"), due on the 15th of each month and beginning on December 15, 2007. The Monthly Installments shall continue until the Settlement Payment is satisfied in full.

11. Upon receipt of the first Monthly Installment, Amada shall dismiss Defendants, with prejudice and without costs, from the Lawsuit.

Remedies:

12. If, for any reason, Defendants fail to make any payment enumerated in this Settlement Agreement within 7 (Seven) days of when such payment(s) become due (the "Event of Default"), Amada may initiate a proceeding against Defendants under this Settlement Agreement, under its common law or statutory rights, or both. Or, in the alternative, and at the sole discretion of Amada, in the Event of Default, Defendants consent to the entry of a Confession of Judgment Order, without notice, the form and content of such Confession of Judgment Order shall be consistent with the Confession of Judgment Order that is attached as Exhibit B. Such Confession of Judgment Order shall be filed in the United States District Court for the Northern District of Illinois, Eastern Division and shall be enforceable against Defendants jointly and severally. The Parties consent to the jurisdiction of the United States District Court for the Northern District of Illinois, Eastern Division, for the purposes of the enforcement of this Settlement Agreement and for the entry of the Confession of Judgment Order.

13. For purposes of the Confession of Judgment Order, Defendants appoint the law firm of Connelly Roberts & McGivney LLC, or its designee, as attorneys in fact for Defendants to enter the Confession of Judgment Order and for the preparation of any motion required for the entry of such Order. For purposes of this Agreement, Defendants waive any conflict which may arise with Connelly Roberts & McGivney LLC with respect to the entry of the Confession of Judgment Order, in addition to waiving any appeal rights which may arise resulting from the entry of the Confession of Judgment Order. Defendants also waive and forego any affirmative defenses, bars to enforcement, claims of estoppel, or any other matter which could act as a defense to the proceeding relating to the entry of the Confession of Judgment Order and/or any matters relating to the enforcement of any such Confession of Judgment Order, or supplemental proceedings thereon.

14. Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connelly Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada.

Release:

15. In consideration of the Settlement Payment, the Parties hereby absolutely, irrevocably and unconditionally forever release and discharge each other and, where applicable, their parents, subsidiaries, affiliates and partners from and against any and all claims, liabilities, actions, causes of action, demands, judgments or damages of any and all kind or nature, whatsoever, that the Parties have or may have in the future, whether known or unknown, suspected or unsuspected, at law, in equity, or otherwise, against each other that have, or may, arise out of the Purchase Agreements, or are currently detailed in the Lawsuit. Notwithstanding anything contained in this Settlement Agreement to the contrary, this Settlement Agreement shall in no way affect the rights of Amada stated herein, nor shall it affect the rights of Amada to enforce the terms of this Settlement Agreement, also stated herein.

16. The Parties make the following representations and warranties to the other Parties hereto:

- a. *Authority to execute Settlement Agreement:* It is duly and validly organized and existing and in good standing under the laws of the state of its Organization and has full power and authority to execute, deliver and perform this Settlement Agreement and the documents and instruments to be executed and delivered by it pursuant to this Settlement Agreement. The execution, delivery and performance of this Settlement Agreement by it and each document and instrument to be executed and delivered by it pursuant to this Settlement Agreement have been duly authorized by all required action of the partners, shareholders and directors thereof and other persons whose consent may be required;
- b. *No Duress:* The Parties have executed and delivered, or shall execute and deliver, this Settlement Agreement and the other documents and instruments to be executed pursuant hereto, freely and voluntarily, with full knowledge and with the advice of independent legal counsel and without duress;
- c. *Signatory:* The person(s) executing this Settlement Agreement, whether individually, or on behalf of any Party enumerated herein, including each documents and instrument to be executed and delivered by such person, has the authority to do so on behalf of such party;
- d. *Independent Investigation:* The Parties have made such investigation of the facts pertaining to this Settlement Agreement, and to all of the matters pertaining thereto, as they deem necessary;
- e. *No Transfers:* The Parties have not conveyed, pledged, assigned or

otherwise transferred any claim which they might have against any other Party hereto.

17. There are no other agreements or representations, either oral or written, express or implied, relating to the subject matter hereof, that are not embodied in this Settlement Agreement. This Settlement Agreement represents a complete integration of all prior and contemporaneous agreements and understandings of the Parties relating to such subject matter, and that any such agreements, to the extent that they may exist, are hereby superseded by this Settlement Agreement. This Settlement Agreement and any other document referenced herein shall be interpreted in accordance with their fair meanings and shall not be more or less favorably construed with respect to any of the Parties.

18. This Settlement Agreement shall be binding upon the Parties and their respective successors and assigns and shall inure to the benefit of the Parties, and their respective successors and assigns. No other person or entity shall be, or is intended to be, a beneficiary under this Settlement Agreement.

19. This Settlement Agreement may be executed in counterparts and all of said counterparts, taken together, will be deemed to constitute one and the same instrument.

20. Any dispute which may arise under this Settlement Agreement shall be governed by the laws of the State of Illinois.

Executed as of the Effective Date.

By: Amada America, Inc.

Name:

D. Kehrli, C.C.O.

Title:

D. Kehrli

Chief Compliance Officer

By: Precision American Metals, LLC

Name:

John M. Mazurek

Title:

PRESIDENT

By: John M. Mazurek, individually

Name:

John M. Mazurek

By: **Pamela F. Mazurek, individually**

Name: Pamela F. Mazurek

08cv1706

JH

JUDGE NORGLE

MAGISTRATE JUDGE SCHENKIER

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This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

RETURN REASON-A
NOT SUFFICIENT
FUNDS

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Suspense

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**RETURN REASON-A
NOT SUFFICIENT FUNDS**

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DATE 1-28-08 2-2566-710

Twenty Three Thousand eight hundred thirty five & 54/100

\$ 23,835.54

DOLLARS

HARRIS Harris NA

FOR *Distillment*

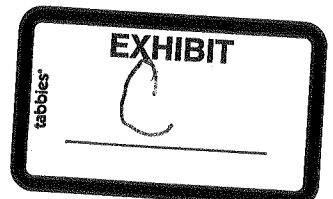
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**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

AMADA AMERICA, INC., a California corporation,

Plaintiff,

V.

PRECISION AMERICAN METALS, LLC.,
An Illinois Limited Liability Corporation, and
JOHN M. MAZUREK and PAMELA F.
MAZUREK, individually,

Defendants.

08cv1706 JH
JUDGE NORGLE
MAGISTRATE JUDGE SCHENKIER

MOTION TO ENTER CONFESSION OF JUDGMENT ORDER

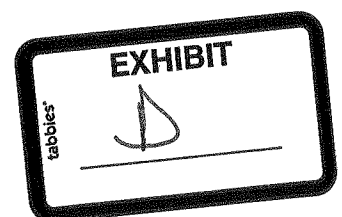
Plaintiff, Amada America, Inc. (“Amada”), by its attorneys, Connelly Roberts & McGivney LLC, for its Motion to Enter Confession of Judgment Order, states as follows:

1. In July of 2006, John M. Mazurek, as President of Precision American Metals, LLC (“Precision”), executed seven separate Equipment Purchase and Security Agreements on behalf of Precision (“the Agreements”), for the purpose of procuring a number of specialized machines from Amada.

2. The Agreements were individually and personally guaranteed by John M. Mazurek and Pamela F. Mazurek.

3. Defendants subsequently breached the terms of the Agreements by failing to tender payment for the purchased items.

4. On July 24, 2007, Amada filed a Complaint alleging breach of contract against Precision and the Mazureks, individually, for their failure to tender payment



under the terms of the Agreements. (A copy of Amada's Complaint is attached as Exhibit "A").

5. On December 5, 2007, Defendants and Amada entered into a Settlement and Release Agreement. (A copy of the Settlement and Release Agreement is attached hereto as Exhibit "B"). This Settlement and Release Agreement was signed by Precision and the Mazureks individually.

6. In the Settlement and Release Agreement, Amada agreed to accept the payment of \$1,469,952.96 to satisfy the debt owed by Precision and the Mazureks. Precision and the Mazureks agreed that they were jointly and severally liable for the full satisfaction of the Settlement and Release Agreement. (see ¶ 9, Ex. B).

7. Precision and the Mazureks issued a check for the January 2008 installment payment which was returned for insufficient funds, and Precision and the Mazureks failed to tender payment for the February 2008 installment. (A copy of the insufficient check is attached hereto as Exhibit "C").

8. Precision and the Mazureks breached their obligations under the Settlement and Release Agreement, and are in default of the same, by:

- a) Issuing an insufficient check for the January 2008 installment payment, and;
- b) Failing to tender payment for the February 2008 installment.

9. In paragraph 12 of the Settlement and Release Agreement, Defendants consented to the entry of a Confession of Judgment Order similar to the Order attached to the Settlement and Release Agreement as Exhibit B. (see ¶ 12, Ex. B).

10. Precision and the Mazureks are liable to Amada for the full Settlement Payment as well as attorney's fees and costs pursuant to paragraph 14 of the Settlement Agreement, which states:

“Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connelly Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada.”
(¶ 14, Ex. B).

11. Simultaneously with this Motion, Amada filed a Complaint alleging breach of contract based on Precision and the Mazurek's failure to tender payment as required by the terms of the Settlement Agreement. (A copy of the Complaint is attached hereto as Exhibit “D”).

12. Attached is the Affidavit of Cory D. Anderson (the “Affidavit”), an attorney with Connelly Roberts & McGivney LLC, which states the amounts paid to Amada by Defendants, Defendants' outstanding Settlement balance and the attorney's fees and costs incurred by Amada to enforce the Settlement Agreement. (Exhibit “E”).

13. Defendants owe Amada \$1,406,296.08 under the terms of the Settlement and Release Agreement. (see Ex. E). Moreover, Amada, per the terms of the Settlement and Release Agreement, is entitled to be reimbursed by Defendants for their fees and costs associated with the enforcement of the Settlement and Release Agreement, totaling \$7,150.00. (see Ex. E).

14. Amada hereby requests this Court enforce the Settlement and Release Agreement by entering the Confession of Judgment Order against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally.

WHEREFORE, Plaintiff, Amada America, Inc., respectfully requests that this Court:

- 1) Enter the Confession of Judgment Order against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally;
- 2) Enter judgment for Amada America, Inc. and against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally, in the amount of \$1,413,446.08;
- 3) Or, in the alternative, for any other relief that this Court deems just.

Respectfully Submitted,

Amada America, Inc.,

By: /s/Cory D. Anderson
One of its Attorneys

Matthew P. Connelly
Cory D. Anderson
Connelly Roberts & McGivney LLC
55 W. Monroe St., Suite 1700
Chicago, Illinois 60603
(312)251-9600

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

AMADA AMERICA, INC., a California corporation,

Plaintiff,

V.

PRECISION AMERICAN METALS, LLC.,
An Illinois Limited Liability Corporation, and
JOHN M. MAZUREK and PAMELA F.
MAZUREK, individually,

Defendants.

08cv1706 JH
JUDGE NORGLER
MAGISTRATE JUDGE SCHENKIER

AFFIDAVIT OF CORY D. ANDERSON

I, Cory D. Anderson, state:

- 1) I am an attorney with the law firm of Connelly Roberts & McGivney LLC (“CRM”). I have personal knowledge of the matters recited in this Affidavit and, if called as a witness, I could competently testify thereto.
- 2) I, along with CRM law clerks, paralegals and Matthew P. Connelly (“Connelly”), also an attorney with CRM, have represented Amada America, Inc. (“Amada”) throughout the course of this litigation.
- 3) I am personally familiar with the billing methods and practices of CRM. My hourly billing rate for this matter is \$240.00. Connelly’s hourly billing rate for this matter is \$350.00. CRM’s hourly billing rate for other CRM personnel working on this matter is \$140.00.
- 4) CRM began billing Amada for the research, preparation and presentation of Amada’s Complaint for Defendants’ breach of the Settlement



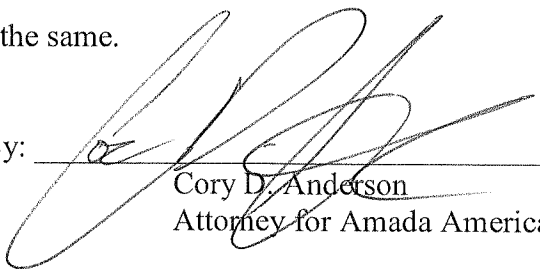
Agreement, Amada's Motion to Enter the Confession of Judgment Order, and the exhibits necessary for the same on February 12, 2008 (collectively the "Confession of Judgment Documents"). CRM concluded billing on the Confession of Judgment Documents on March 12, 2008.

- 5) Between February 12, 2008 and March 12, 2008, CRM attorneys and law clerks billed a combined total of 31.3 hours towards the completion of the Confession of Judgment Documents. Invoices reflecting the specific dates and time allotments billed for such tasks can be tendered to the Court upon request.
- 6) The total fees billed to Amada as a result of the 31.3 hours dedicated to the Confession of Judgment Documents by CRM, were \$7,150.00. The fees generated by CRM personnel are reasonable and customary and were necessary for the preparation and presentation of the Confession of Judgment Documents. Amada is currently responsible for the \$7,150.00.
- 7) Amada agreed, by way of the Settlement Agreement with Defendants', to accept the payment of \$1,469,952.96 (the "Settlement Payment") in satisfaction of the debt owed by Defendants. Defendants agreed to be jointly and severally liable for the Settlement Payment.
- 8) Amada has received total payments of \$63,656.88 from Defendants.
- 9) The remaining Settlement Payment owed to Amada by Defendants, jointly and severally, is \$1,406,296.08.
- 10) The total amount owed to Amada by Defendants, jointly and severally, under the terms of the Settlement Agreement, is \$1,413,446.08. This

amount constitutes the remaining amount owed to Amada by Defendants, jointly and severally, under the terms of the Settlement Agreement, as well as the fees generated by CRM for the preparation of the Confession of Judgment Documents, for which Amada is now responsible.

- 11) All of the statements made in the Confession of Judgment Documents, as well as the exhibits thereto, are true and correct and this Affidavit is submitted in support of the same.

By: _____


Cory D. Anderson
Attorney for Amada America, Inc.

Sworn to and subscribed before me this
24th day of March, 2008


Notary Public

